United Nations A/62/73-E/2007/52

General Assembly
Economic and Social Council

Distr.: General
11 May 2007

Original: English

General Assembly
Sixty-second session
Item 61 (b) of the preliminary list*
Operational activities for development: triennial comprehensive policy review of operational activities for development of the United Nations system

Economic and Social Council
Substantive session of 2007
Geneva, 2-27 July 2007
Item 3 (a) of the provisional agenda**
Operational activities of the United Nations for international development cooperation segment: follow-up to policy recommendations of the General Assembly and the Council

Triennial comprehensive policy review of operational activities of the United Nations development system

Report of the Secretary-General***

Summary

The present report reviews the operational activities for development of the United Nations system and examines the question of whether they meet the expectations of Member States as expressed in General Assembly resolution 59/250 and the 2005 World Summit Outcome.

Operational activities for development of the United Nations system need to respond to the development needs of recipient member countries in a flexible manner and in accordance with their policies and priorities for development.

The bedrock principles for operational activities of the United Nations system derive from their universal, voluntary and grant nature and from their neutrality and multilateralism. Operational activities are therefore strongly anchored in the normative mandates and roles established by the United Nations system.

* A/62/50.
** E/2007/100.
*** The submission of the present report was delayed because of the need for extensive consultations with various organizations.

07-32860 (E) 210607

The knowledge, skills and resources made available to member countries by some 40 funds, programmes, agencies and other entities of the United Nations development system are of unparalleled breadth and depth. The diversity of resources is a rich reservoir for programme countries. Efforts to exploit synergies and complementarities and avoid overlaps and gaps would further augment the resources available for those countries.

At present, the United Nations development system is not configured at the country level to allow developing countries to have optimal access to all United nations development resources, including those from specialized agencies and other global and regional entities. A special effort is currently being made to ensure that the resident coordinator system, the common country assessment and the United Nations Development Assistance Framework become more inclusive of non-resident agencies, including specialized agencies and other global and regional entities.

Challenges remain in making the United Nations development system more coherent and efficient. Ongoing processes and emerging outcomes are described and analysed in the present report.

The report also reviews the adequacy of funding and the current funding modalities of operational activities for development, including innovative initiatives developed in several funds, programmes and agencies to enhance the predictability and dependability of resource availability.

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I. Introduction

1. The present report reviews the implementation of General Assembly resolution 59/250 following the triennial comprehensive policy review of operational activities for development of the United Nations system.[1] It is also guided by Economic and Social Council resolution 2006/14. Following the Council's consideration of the report, the Secretary-General will submit policy recommendations to the Assembly drawing upon the deliberations in the Council. These will be considered during the sixty-second session of the Assembly, to be held in 2007.

2. The main focus of the present report is to assess to what extent and in what ways the United Nations system has provided efficient and effective support to developing countries in order that they might realize their national development strategies and achieve the internationally agreed development goals, including the Millennium Development Goals, within the context of their national development priorities. Operational United Nations activities for development are valued and assessed on the basis of their impact on the recipient countries' capacity to pursue poverty eradication, sustained economic growth and sustainable development.

3. The present assessment of the relevance, effectiveness, impact and efficiency of operational activities of the United Nations system and of the sustainability of their outcomes takes as its benchmarks goals, norms and standards that were agreed by the General Assembly. It will take into account the 2005 World Summit Outcome, earlier United Nations conferences and summits and the changing context of international development cooperation.

4. As a follow-up to the 2005 World Summit, the Secretary-General established the High-level Panel on United Nations System-wide Coherence in the areas of development, humanitarian assistance and the environment. The report of the panel, entitled "Delivering as one" (A/61/583), was submitted by the Secretary-General to the General Assembly for consideration by Member States in November 2006. Some of the recommendations of the panel are relevant to the follow-up to Assembly resolution 59/250.[2]

5. The analysis contained in the present report is based on a range of inputs. They include in-depth studies on selected key issues; a review of evaluations undertaken by funds, programmes and agencies and meta-analyses undertaken by the United Nations Evaluation Group; field missions; questionnaires; and a collection of information and documentation from United Nations system entities. Substantive consultations were held with Member States, representatives of civil society, including non-governmental organizations at the country level, and United Nations system inter-agency bodies, such as the High-level Committee on Programmes of the United Nations Chief Executives Board for Coordination (CEB), the United Nations Development Group and the United Nations Evaluation Group. Moreover, consultations were held individually with a large number of specialized agencies, regional commissions and other United Nations system entities. A workshop organized in March 2007 brought together a number of representatives of

[1] The present report should be read in conjunction with the report of the Secretary-General on the comprehensive statistical analysis of the financing of operational activities for development of the United Nations system (A/62/74-E/2007/54).

[2] See A/61/583. In April 2007, the Secretary-General conveyed his views on the report to Member States in document A/61/836.

Governments of Member States and of entities of the United Nations system to discuss the preliminary findings of the analysis.

6. The present report is structured around a few major themes. Chapter I is the introduction, while chapter II deals with the contribution of operational activities in the current global context. Chapter III deals with trends in funding for operational activities with an emphasis on new practices to make funding more predictable, dependable and geared to enhancing adherence to the United Nations entities' mandates. Chapter IV reports on the contribution of United Nations operational activities to national capacity development and development effectiveness. It also addresses issues such as the role of the United Nations system in South-South cooperation, gender mainstreaming and transition from relief to development. Chapter V analyses progress in the functioning of the United Nations development system and issues related to coherence and relevance (including the relationship with Bretton Woods institutions), regional dimensions, transaction costs and efficiency, the country-level capacity of the United Nations system and the evaluation of operational activities for development.

7. The ways in which the United Nations system's operational activities for development are delivered at the country level are, to a large extent, determined by the directions provided by the governing bodies of the individual entities. While funds and programmes are governed by executive boards that report to the Economic and Social Council and the General Assembly, the specialized agencies and the Bretton Woods institutions have independent structures of governance. Guidance provided by the governing bodies on certain vital development issues may not be fully consistent and coherent. This dimension is not addressed in a comprehensive way in the present report, but it is an important factor in the Council's and the Assembly's overall consideration of the way forward.

II. The contribution of United Nations operational activities for development in the current global context

1. Global development agenda and the role of the United Nations system

8. In follow-up to the 2000 Millennium Summit, the 2005 World Summit reaffirmed that development, together with peace and security and human rights, is a pillar of the United Nations system. It gave renewed impetus to the bold vision for humanity contained in the Millennium Declaration of 2000. Leaders reaffirmed their commitment to eradicate poverty and promote sustained economic growth and sustainable development. The 2005 World Summit Outcome highlighted that each country must take primary responsibility for its own development. Efforts by developing countries need to be supported by a substantial increase in aid.

9. A key message of the 2005 World Summit was the need to move forward with the implementation of the internationally agreed development goals, including the Millennium Development Goals. The Millennium Development Goals launched at the 2000 Millennium Summit are to be achieved in all countries of the world by 2015. At the midpoint of the 15-year period, progress towards the achievement of the Millennium Development Goals is still uneven and unsatisfactory overall. As the world becomes more interdependent, social and economic inequalities persist and grow. Many developing countries are still unable to develop their productive sectors

and participate in and benefit from the process of globalization. Progress towards poverty eradication has been slow and uneven. Environmental degradation exacerbates the vulnerability of disadvantaged populations and attenuates the benefits of development.

10. During the 2005 World Summit, world leaders recommitted themselves to ensuring that the main cross-cutting themes, such as sustainable development, human rights and gender, are taken into account in decision-making processes throughout the United Nations system.

2. Trends in development cooperation

11. Since the 2004 triennial comprehensive policy review, globalization has further accelerated access to information, knowledge, financial resources and investment for many countries, affecting the role and relative importance of official development assistance and of the operational activities of the United Nations system. Three requirements have come sharply to the fore: (a) official development assistance and its role and performance cannot be considered in isolation from the larger issue of countries' access to capital markets, concessional financing, other financial resources, trade and foreign direct investment; (b) substantially enhancing the coordination of development cooperation efforts is important; and (c) the need for greater harmonization and alignment of development assistance with the needs and priorities of programme countries is increasingly compelling.

12. Official development assistance diminished in 2006 to 0.30 per cent of the gross national income of countries members of the Organization for Economic Cooperation and Development/Development Cooperation Directorate (OECD/DAC), from 0.33 per cent in 2005 (owing mostly to a large debt-relief write-off in 2005), while it was 0.26 per cent in 2004. Overall, the projected levels of official development assistance for 2006-2010 remain far short of the estimated $150 billion deemed necessary to attain the Millennium Development Goals. Meanwhile, there are fears that the lack of progress in the Doha round of trade negotiations, which has the capacity to bring about larger and more durable benefits for developing countries, will limit the development impact of the round.

13. There is growing consensus among donors and recipient Governments regarding the principles established at the Monterrey Conference on how to obtain better development results in terms of aid and mutual accountability. That process has accelerated, in particular as a result of the Rome High-level Forum on Harmonization and the Paris High-level Forum on Joint Progress toward Enhanced Aid Effectiveness. At the 2005 World Summit, world leaders welcomed the Paris Declaration on Aid Effectiveness as part of the effort to enhance the quality of aid and increase its impact. The principle of national ownership and simplification and harmonization of cooperation around a single nationally led development process is well established.

14. A salient feature of development cooperation today is the presence of non-OECD-DAC donors and new actors from civil society and the private sector. This evolution has taken place alongside increasing South-South cooperation, and has led to intensified development and economic relations through trade, investment, transfer of technology, enterprise-level interaction and the creation of South-South institutional networks.

15. The Development Cooperation Forum to be convened by the Economic and Social Council at the request of the World Summit will be a valuable opportunity to address gaps and obstacles, review trends and advance coherence in overall international development cooperation.

3. The contribution of the United Nations system

16. The United Nations system's operational activities for development is unique in that it combines the legitimate articulation and representation of global mandates with knowledge, skills and other resources that can help developing countries design and implement their national development policies and strategies and achieve the internationally agreed development goals, including the Millennium Development Goals, and adhere to treaty obligations and other internationally agreed instruments. The system has a privileged role in helping countries coordinate and manage external aid and take full advantage of and utilize new aid modalities such as budget support, sector-wide approaches and poverty reduction strategies. The United Nations system also works in developing countries that do not benefit from other forms of external aid.

17. The extent to which the system is able to exploit these unique characteristics depends on both its capacity for overall coherence in its policies and actions and its operational impact. A strong United Nations system needs to both strengthen its coherence and enhance its ability to produce results in an effective and efficient manner. The value of the results needs to be measured against international goals, norms and standards and their usefulness in specific national contexts. Efficiency is the ability of the system to conduct its business at the lowest possible cost. Operations need to be conducted in a coherent and well-coordinated manner. In recent years, all funds, programmes, agencies and other entities of the United Nations development system have strengthened their efforts to become more effective and efficient and better coordinated. There have been challenges to these efforts, which still need to be overcome. The present report seeks to provide a comprehensive overview and analysis of achievements and outstanding challenges.

III. Funding for operational activities for development of the United Nations system[1]

1. Overall trends in funding for the United Nations development system

18. The performance and impact of United Nations development cooperation is closely linked to the level and predictability of its funding. This has been repeatedly underscored by the General Assembly and the Economic and Social Council. In its resolution 59/250, the Assembly emphasized, in particular, that increasing financial contributions to the United Nations system is key to the effort to support the achievement of the Millennium Development Goals and that core resources, because of their untied nature, continue to be the bedrock of operational activities for development. Such resources allow the United Nations system to implement operational activities in line with mandates and directions provided by governing bodies.

19. In recent years, the United Nations system has attracted a growing level of total funding, albeit mainly as a result of an increase in non-core or supplementary

funding.[3] The total value of contributions received by the United Nations system for development cooperation activities in 2005 amounted to $15.5 billion, which represented an average annual increase of 8.3 per cent since 2001 in real terms.[4] Yearly contributions to the system have risen over the past five years both in nominal and real terms, mainly owing to an increase in non-core funding.

20. The share of core resources in the total contributions received by the United Nations system has been falling continuously and decreased from 54.4 per cent in 2003 to 44.7 per cent in 2004 and again to 43.3 per cent in 2005 in real terms. The regular budgets of the specialized agencies, based on assessed contributions, have been locked at historically low levels because of the application of zero nominal growth policies. The role of non-core resources has increased for all entities of the system.

21. While some of the supplementary funding (a significant part of donor contributions and resources provided by developing countries under cost-sharing arrangements) is geared towards operational activities that are linked with United Nations entities' normative mandates, much of the non-core funding has not systematically supported the entities' response to the new demands emerging from the United Nations development agenda. The growing reliance on supplementary funding to a certain extent undermines the core mandates of United Nations system entities. The increase in resources has not kept pace with the system's new intergovernmental mandates.

22. Since the Monterrey Conference and the Paris High-level Forum, there has been an increased emphasis on national ownership, the alignment and harmonization of donor programmes with the development priorities of recipient countries and the emergence of new funding instruments, such as direct budget support linked to poverty reduction strategies and sector-wide approaches. United Nations organizations can help recipient countries make the most effective use of these instruments. That role of the United Nations system needs to be adequately funded.

23. Several accounting and budgeting issues blur the interpretation of the long-term trends in overall funding. Current systems for reporting contributions to the United Nations system do not provide a solid basis to avoid double counting, especially when contributions from bilateral or other multilateral agencies are computed as contributions to the United Nations system but continue to be considered as non-United Nations operations. In addition, a significant amount of funding for operational activities actually includes the financing of humanitarian assistance, as not all organizations make that distinction in their reporting. If all humanitarian funding were subtracted from the total amount of supplementary resources, the growth in resources for long-term development cooperation would not be as significant.

2. Predictability and dependability of funding

24. As the United Nations system has increasingly become dependent on extrabudgetary or non-core resources, various approaches have been developed to

[3] In its resolution 59/250, the General Assembly makes a distinction between core and non-core resources. Core resources are referred to in some organizations as regular resources. Non-core resources are referred to as supplementary, extrabudgetary or other resources.

[4] The increase in real terms takes into account inflation and exchange rate movements.

make funding for the United Nations system's operational activities for development more predictable and dependable. Multi-year pledging is seen as a means of trying to introduce to the United Nations system some of the positive elements of the replenishment processes that are in place in the international financial institutions.

25. One effort to improve the predictability of funding for development activities within the United Nations system was the introduction of the multi-year funding frameworks by the major United Nations funds and programmes.[5] The frameworks have essentially linked the introduction of a multi-year pledging and budgeting mechanism to the identification of the strategic priorities of the specific United Nations entity for the planned period and the corresponding funding requirements. An essential requirement of the framework is the establishment of results indicators to monitor the effective use of resources.

26. One of the desired results of the use of the multi-year funding frameworks was that donor Member States would commit resources consistent with and for the entire time frame of a particular framework. Another was that Member States would be able to monitor the effective use of financial resources by comparing them with the results achieved through planned activities. By and large, frameworks have not significantly advanced the predictability of funding. Donors often use the frameworks as a reference for resource mobilization, but continue making shorter-term pledges. Frameworks have, however, proved to be important managerial tools for identifying strategic activities, introducing basic principles of results-based management and measuring results. While the timing of multi-year funding frameworks has been harmonized between the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF), there is room for further progress. Differences in nomenclature, format and terminology will be addressed in the new format of strategic plans.

27. The achievement of multi-year funding targets cannot be used as a definitive indicator of the adequacy of funding, as these targets are negotiated within governing bodies and generally represent some trade-off between what is required and what donors consider feasible. There is no holistic definition of total funding requirements, based on a demand-driven, country-based identification of programme needs and on regional and global strategies to support the achievement of the international development agenda.

28. Pledging mechanisms other than the multi-year funding frameworks present some features of the replenishment system of international financial institutions. The International Fund for Agricultural Development (IFAD) model is similar to the system adopted by the International Development Association. This system has considerably improved funding predictability, and has allowed a regular increase of resources (about 10 per cent a year) over the past years. The regular budgets of the specialized agencies also potentially have characteristics in common with the replenishment model. However, the prevailing use of a zero-growth policy in the definition of regular budgets of the specialized agencies has practically made it impossible to consider using the concept of the assessed budget to negotiate for adequate and increasing levels of resources.

[5] Most United Nations entities are switching to the use of the term "strategic plan" (with varying time frames) rather than "multi-year funding framework".

29. A number of United Nations entities are experimenting with new approaches to the management of supplementary funds. Almost all of the United Nations development entities have now adopted various types of thematic funds. While the donor is able to allocate funding by priority, reporting is normally done through the established mechanisms of the entity concerned. In some cases, such funds have been specifically established for some cross-cutting objective requiring special effort. For example, UNICEF has established thematic funds for each of its strategic priorities.

30. Innovative approaches are being introduced in a number of specialized agencies and United Nations entities. In its draft medium-term strategic plan (2008-2013), the World Health Organization (WHO) introduced the concept of negotiated core voluntary funding, which pursues the objectives — to increase predictability, better align voluntary funding with the overall programme budget framework and reduce transaction costs.

31. The United Nations Educational, Scientific and Cultural Organization (UNESCO) announced measures to better align extrabudgetary resources with the priorities of its major programmes, and its sector strategic frameworks will cover both regular budget and projected extrabudgetary resources.

32. The International Labour Organization (ILO) has proposed, in its programme and budget proposals for 2008-2009, the creation of a new regular budget supplementary account to overcome the zero real growth of its regular budget. The account allows voluntary additional contributions to the regular budget, earmarked for one of the four ILO strategic priorities, for a specific region, or for both, to allow some flexibility to donors.

33. The Food and Agriculture Organization of the United Nations (FAO) has introduced development partnership agreements with a number of donors, encouraging multi-year, programmed, voluntary untied contributions that support its core functions, focusing on links between normative and operational work.

34. The United Nations Environment Programme (UNEP) is almost totally funded by voluntary contributions to its general and special-purpose funds. In 2002, it introduced the pilot concept of voluntary indicative scales of contributions, to broaden the base of contributions and enhance their predictability.

35. A significant amount of supplementary funding is raised at the country level. Such funding potentially leads to greater responsiveness to needs at the country level. But that approach also poses certain problems for the functioning and image of the United Nations system. Some of the funding raised at the country level tends to be to the detriment of operational activities that are more closely linked to the normative functions of the United Nations system. Having to compete for a limited pool of resources cannot but complicate the system's drive towards greater unity and coherence. The dependence of the United Nations system on supplementary funding at the country level also risks undermining the system's role as a trusted partner of national Governments in coordinating external aid, such as budget support. There is, however, evidence of a renewed effort at the highest level of the system, as demonstrated at the most recent session of CEB, to recognize and address such constraints with renewed determination.

3. Cooperation with new funding sources for development

36. Public/private sector funds for social activities have expanded tremendously over the past few years. Examples include the Global Fund to Fight AIDS, Tuberculosis and Malaria, the GAVI Alliance (formerly the Global Alliance for Vaccines and Immunization) and the Bill and Melinda Gates Foundation. United Nations entities are usually not funded by these global funds.[6] Funding from these sources is provided directly to national Governments or to other national partners successful in the bidding process. The United Nations system's role is mostly limited to advocacy and advice to national partners how to make the best use of these resources.

37. The success of the Global Fund and the GAVI Alliance in resource mobilization is becoming increasingly important for the realization of the international development agenda. The United Nations system needs to develop the ability to catalyse additional funding flows through such funds. To perform this role effectively, the normative and core technical competencies of United Nations entities concerned need to be supported through core or regular budget funding, since functions such as advocacy, norms and standards, research, policy development and best practice guidelines and technical support to programmes not funded by the United Nations often do not lend themselves to supplementary funding.

38. To the extent that United Nations entities act as implementing partners for the GAVI Alliance and the Global Fund, supporting these funds entails a significant workload for them. The question arises as to what extent United Nations entities are compensated for these efforts.

4. Transaction costs and cost recovery

39. The growth of supplementary funding is a definite factor in increasing transaction costs for all United Nations entities and therefore hinders efforts to maximize efficiency. Negotiating individual funding agreements, tracking and reporting programming and financial data for hundreds or even thousands of individual projects and reporting according to widely variable sets of requirements all add significant costs that fall outside of individual entities' basic operating systems.

40. The reliance on volatile annual contributions hampers the ability of funds and programmes to adequately cover their core administrative costs. This is affecting the overall solidity of their organizational structures, their effectiveness and the quality of their services and programmes. The budgetary limitations experienced by specialized agencies and other entities using assessed contributions are likewise affecting their ability to finance their basic administrative expenses. The absence of a proper definition of basic administrative costs poses a major obstacle to arriving at a valid identification of the total funding requirements of United Nations entities. Governing bodies should seek to set administrative and programme support budgets on the basis of the size of the total programme of the entity concerned and adjust all related administrative support and capacities accordingly.

[6] The United Nations system has traditionally relied mostly on funding provided by the Governments of Member States. UNICEF has institutionalized arrangements with non-governmental national committees that contribute 40 per cent of its total funding.

41. In its resolution 59/250, the General Assembly called for full cost recovery. The rates of cost recovery policies have been set at 7 per cent among funds and programmes and for some joint programmes at the country level. The United Nations Secretariat and specialized agencies often use higher rates. While, for example, the World Food Programme (WFP) performs well on cost recovery, the results in terms of full cost recovery may fall short of expectations for other entities, as they do not systematically charge or recover all of the costs involved in the management of projects funded from supplementary sources. In those cases, these costs are covered by regular resources. This, in turn, risks not only diverting core funding from its original purpose, namely normative and operational activities linked with the entities' mandates, but also creating the false impression that the management of such projects is more efficient than the regular programme, thus undermining in the long term the entities' ability to attract core funding. This is not only a technical matter but an issue with important policy implications that requires urgent attention.

5. Trends and perspectives: some key issues

42. The general success of the United Nations system in attracting growing levels of total funding indicates that the system provides development services that are valued by donor and programme countries alike. However, the growth in the aggregate value of United Nations operational activities for development must be considered in the light of the limitations of relevant statistics, as highlighted above.

43. The United Nations system continues to struggle with the predictability, stability and reliability of funding. With the exceptions outlined above relating to the assessed budgets of some of the specialized agencies, the system is still heavily dependent on annual voluntary pledges. Different modalities have been developed in various entities to address these challenges, but with the exception of IFAD, none of the entities have attained a satisfactory level of predictability and dependability of funding. Annual rates of change are still significant.

44. The unpredictability of funding for the fundamental functions of the United Nations development system reduces the ability of many United Nations entities to combine effectively normative leadership with operational programme delivery and limits the system's capacity to deliver on its overall mission. This is obviously not in the interest of either donor or programme countries.

45. Attempts are being made by the management of several United Nations entities to propose to governing bodies new alternative mechanisms for voluntary funding, which would allow for a reduction of the earmarking of resources and for the pursuit of the core functions of United Nations institutions as defined by their governing bodies.

IV. Contribution of United Nations operational activities to national capacity development and development effectiveness

A. Capacity development

1. Principles and guidelines

46. In resolution 59/250, the General Assembly requested CEB to analyse the capacity development efforts of the United Nations development system and to make recommendations on measures necessary to enhance their effectiveness, including through the improvement of the assessment and measurement of results. A reflection is presently under way within the High-level Committee on Programmes of CEB in order to improve the inter-agency sharing of information system-wide on good practice and experiences gained, benchmarks and indicators, monitoring and evaluation criteria and reporting by United Nations entities to governing bodies on capacity development, as requested by the Assembly in resolution 59/250. The Economic and Social Council and the Assembly will be kept appraised of progress as this work proceeds.

47. In October 2006, the United Nations Development Group (UNDG) produced a position statement on capacity development. This common framework aims at guiding United Nations country teams in mainstreaming capacity development and, particularly, at strategically positioning the United Nations system's support to national capacity development efforts. The position statement defines capacity as the ability of people, organizations and society as a whole to manage their affairs successfully. Capacity development is defined as the process whereby people, organizations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time. While there is general consensus on these definitions, within any given country context there are different levels of capacity — national, subnational, local — and different stages of development in different sectors that will, in the end, affect the capacity development response. Toolkits for action have been developed to address these complex issues.

2. United Nations system roles in capacity development

48. Given its limited financial and human resources, the best manner in which to use the United Nations system's potential is not by directly involving it in the provision of services, but rather by allowing it to assist national partners in developing and implementing strategies to increase resources and capacities to deliver services, possibly through pilot initiatives.

49. Capacity development is commonly associated with various forms of technical assistance aimed at individuals (training), institutions (organizational development) and the enabling environment (support to policies and strategies). It also encompasses attitudes, relationships and the values of individuals, groups and societies at large. While capacity development is at the core of the United Nations system's contribution to development, there is also a strong link to other related dimensions of the system's normative role in enhancing national capacities, including advocacy for ratification and implementation of international conventions and instruments; independent monitoring of elections; and support to human rights observance. The human-rights-based approach to programming emphasizes the

empowerment of those deprived of the full enjoyment of human rights and strengthening the capacities of those who have the obligation to promote and protect human rights.

50. The United Nations development system has a direct role in capacity development at the country level, drawing from the collective mandates, expertise and experiences in the system. Its capacity development efforts include all the roles mentioned in the UNDG position statement: (a) facilitating capacity assessments; (b) strengthening national capacities to implement and monitor international norms/standards; (c) providing catalytic support for technological, knowledge acquisition and innovation capacities; (d) supporting capacity to develop and use information, data and robust results-based management systems for greater accountability; (e) facilitating consensus-building processes and brokering relations between key development stakeholders, to promote capacities for inclusion and empowerment in decision-making; (f) supporting the capacity to review and analyse pro-poor policy options; (g) facilitating the participation of societal and government actors in, and enhancing capacities for, national coordination of development and humanitarian assistance; and (h) providing international good practice in all of the above areas and promoting knowledge networking capacities around them.

51. What roles the United Nations system will actually perform in a specific country will in principle be determined through agreements between the national partners and United Nations entities. The common country assessment and United Nations Development Assistance Framework (UNDAF) processes are increasingly important mechanisms in this regard. The assessment and UNDAF do not always reflect the whole range of contributions to capacity development made by the specialized agencies and other United Nations entities or those provided through regional and inter-country programmes. Those contributions are central when it comes to an analysis of the overall actual and potential relevance of the United Nations system's capacity development effort in the context of the countries' needs and priorities.

3. Development of technical and technological capacity

52. While all United Nations entities address technical and technological capacity development in one way or another, some agencies have specific mandates and programmes for technological development (most notably the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO), UNESCO, the Food and Agriculture Organization of the United Nations (FAO), WHO, the International Telecommunication Union, the World Meteorological Organization and the United Nations University). These mandates address aspects such as technology innovation, policy design and evaluation, and development and application of technology, including the adaptation of imported technologies to local conditions.

53. United Nations entities provide an important contribution to norm setting in technological development and knowledge acquisition. The United Nations system has also been active for decades in establishing, improving and developing basic technical and technological organizations in developing countries in such areas as civil aviation, meteorology, telecommunications and nutrition.

54. The system's contribution to the development of technical and technological capacities is increasingly extending beyond the strengthening of skills of individuals

to the capacity of entire institutions, requiring a whole range of technical, administrative and managerial inputs. Training continues to stand out as one of the main tools for enhancing individual technical capacities.

55. United Nations entities reach out to their potential interlocutors by continuously establishing new inclusive networks, making use of innovative types of learning and putting to good use lessons learned and the wealth of experience accumulated over the years in developing countries, including through South-South cooperation. The United Nations system also plays a catalytic role in this respect by establishing networks between the private sector, centres of excellence, research and technological institutions, bilateral donors and other actors who would not have otherwise engaged in international efforts of such a nature.

4. National execution and the use of national expertise

56. Research undertaken in preparation of the present report shows that United Nations entities have become increasingly mindful of the need to give priority to the engagement of national staff and the use of national expertise and national institutions. The practice of national execution is currently so widespread that it is no longer systematically monitored as a separate operational modality.

57. National execution and the use of national expertise aim to strengthen government ownership and enhance sustainability of results. However, for these objectives to be realized, national execution must be accompanied by an expansion of institutional capacities, such as through increases to the budgets of the national institutions that are assuming new responsibilities.

5. Support to the coordination and utilization of external aid

58. The United Nations system is expected to support national capacities that will enable developing countries to exercise ownership and leadership over external assistance and support aid coordination. Resident coordinators and United Nations country teams are often called to play a pivotal role in supporting national Governments in aid coordination.

59. The United Nations system contributes to the capacity of developing countries in order to optimize the utilization of various aid modalities, including budget support. In some developing countries, the United Nations system is called upon to actively support the national Government in the coordination of direct support and even to contribute to it. The United Nations system's contribution in this area has mainly been through support to the national planning process, including through Millennium Development Goals-based budget analysis, which helps countries identify disparities in budgetary allocation and spending for disadvantaged sectors and districts. This provides an excellent opportunity for deeper engagement by the United Nations in sectoral reforms.

60. The United Nations system has played an important role in enhancing national capacities to monitor and assess progress in poverty eradication and other internationally agreed development goals. UNDP and UNICEF in particular, but also a number of the specialized agencies, have contributed to a fuller understanding of poverty, an understanding that goes beyond its income dimension to include, for example, access for the poor to health, education and other basic social services and their control over assets and participation in governance. The United Nations system

has also supported the improvement of national statistical systems, so that these systems could incorporate Millennium Development Goals/human development-based indicators. *DevInfo*, which was introduced in 2004, and other geographical information systems are now being used in more than 90 countries.

6. Relevance and effectiveness of capacity development and sustainability of results

61. There is a growing body of evidence on the results of United Nations support to national development effectiveness. That evidence can be derived from the newly created database of the United Nations Evaluation Group. In preparation for the triennial comprehensive policy review, a sample of 40 country-level evaluations conducted by nine United Nations entities[7] was analysed to assess the results of national capacity development efforts. The evidence showed that all nine United Nations entities focused on building national capacity to pursue poverty eradication, sustained economic growth and sustainable development. In nearly all cases, evaluations identified positive results in these areas, especially in policy development, where the entities' contributions can specifically be identified. However, the evidence also strongly suggests that the effectiveness of such support and the sustainability of results are compromised when they are not adapted to national partner Governments' ability to sustain the new initiatives or mainstream them in their policy frameworks.

7. Key achievements and outstanding challenges

62. For developing countries to address national priorities and achieve internationally agreed development goals, including the Millennium Development Goals, a continuous process of capacity development is required, to which the United Nations system can make a significant contribution. Since 2004, there has been increased recognition of the United Nations system's contributions, not only in areas of technical and technological innovations and training, but also in terms of advocacy for and direct assistance to the achievement of internationally agreed goals and compliance with international commitments in other related areas.

63. Because of its neutral and facilitating role among national governmental and societal actors, the United Nations system appears to be particularly effective in the development and use of data that are important in the development process and in advocacy and the promotion of international norms and standards. United Nations entities often help national Governments coordinate external aid and make good use of new aid modalities such as budget support, sector-wide approaches and poverty reduction strategies.

64. National execution and the use of national expertise have become mainstream. However, the national execution of projects and programmes supported by the United Nations need to be integrated in national processes and procedures in terms of reporting lines, administrative arrangements and/or employment conditions. The effectiveness and sustainability of United Nations-supported capacity development is compromised if the efforts are not adapted to the financial and technical ability of recipient Governments and other national institutions to sustain them beyond external support.

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[7] FAO, IFAD, UNCTAD, UNDP, UNFPA,UNHCR, UNICEF, UNIDO and WFP.

B. South-South cooperation and development of national capacities

1. Mainstreaming of South-South cooperation

65. During the World Summit, world leaders recognized the achievement and great potential of South-South cooperation and encouraged its promotion. Notably, some middle income countries (Brazil, India and South Africa) have integrated South-South cooperation into their foreign and trade policy.

66. The primary mandate of the Special Unit for South-South Cooperation, established by the General Assembly in 1978 as a separate entity within UNDP, is to promote, coordinate and support South-South and triangular cooperation on a global and United Nations system-wide basis. As a guide to the Special Unit's current work programme, the Executive Board of UNDP endorsed the third cooperation framework for South-South cooperation (2005-2007). UNDP has been a major provider of funds to the Special Unit. Additional resources for United Nations and other support to South-South cooperation have mainly been mobilized through triangular cooperation.

67. There are several entities of the United Nations system that have made considerable efforts to mainstream South-South cooperation within their own programmes. In UNDP, South-South cooperation is one of the six drivers of development effectiveness in the multi-year-funding framework for 2004-2007. Other examples include (a) the Special Programme for Food Security of FAO;[8] (b) the new UNIDO initiative, Centres for South-South Industrial Cooperation, in several of the more advanced developing countries; (c) the UNCTAD technical cooperation conceived and implemented on a South-South basis; (d) the International Civil Aviation Organization policy of promoting training centres located in developing countries and advisory services provided by southern experts; and (e) the United Nations Environment Programme (UNEP) implementation of the Bali Strategic Plan for Technology Support and Capacity-building.

2. South-South financial cooperation

68. Several countries not among the OECD/DAC donors have engaged in a process of funding for development. At the second South Summit in Doha in 2005, developing countries adopted the Doha Plan of Action, which included the creation of the South Fund for Development and Humanitarian Assistance. There are several other good examples of non-OECD/DAC donors providing significant financial support to developing countries, including concessional loans, debt cancellation and technical assistance grants.

69. There is a significant potential for an increased role of the United Nations system in strengthening funding partnerships among developing countries. The United Nations system could channel these contributions. But its unique role could be to help developing countries, at their request, establish a strong link between the operational activities that these new contributions support and the pursuit of the

[8] This is one of the largest global programmes in South-South cooperation and involves a wide range of donors: Belgium, France, Japan, Germany, Ireland, the Republic of Korea, Monaco, Morocco, the Netherlands, Saudi Arabia, Spain, Switzerland, the European Union, UNDP, IFAD, United Nations Fund for International Partnerships, WFP and the Organization of Petroleum Exporting Countries.

internationally agreed development goals, including the Millennium Development Goals.

3. Key achievements and outstanding challenges

70. United Nations entities can be primary vehicles for making use of expertise from developing countries to promote development in other developing countries. The normative function of the specialized agencies is often associated with the establishment of networks of highly qualified experts and specialized institutions, which provide major inputs from developing countries to the development of technical capacities in other developing countries. The Special Unit for South-South Cooperation operates by building and strengthening broad-based partnerships with a range of organizations, not only within the United Nations system, but also in the global context.

71. Lack of adequate and regular resources impede the United Nations development system's institutional capacity to effectively mainstream South-South cooperation in all programme activities. The flow and mutual exchange of information within the United Nations system appears to be still relatively inadequate and limits the efforts to strengthen partnerships in South-South cooperation. Strengthening of the Special Unit for South-South Cooperation and enhancing its role as coordinator on South-South cooperation would help bring about more coherence, coordination and systematic reporting on and analysis of different forms of such cooperation.

C. Gender mainstreaming

1. United Nations system strategies for gender mainstreaming

72. In October 2006, CEB adopted a comprehensive United Nations system-wide policy and strategy on gender mainstreaming in order to accelerate the implementation of globally agreed commitments. The system-wide policy and strategy will not replace but rather reinforce policies of individual entities while strengthening collective action. The CEB noted that gender mainstreaming is the globally accepted strategy for achieving gender equality and the empowerment of women.[9] The policy and strategy will be implemented by the Inter-Agency Network on Women and Gender Equality. The network will develop a United Nations system-wide action plan that includes indicators and timetables, allocation of responsibilities and accountability mechanisms and resources, which are essential to making the strategy of gender mainstreaming operational.

73. UNDG created a task team on gender equality, which is coordinated by the United Nations Development Fund for Women (UNIFEM) and brings together 17 United Nations entities[10] to support more coherent action within the United Nations system on gender mainstreaming and the empowerment of women at the country level. The UNDG task team undertook a review of resident coordinators'

[9] See Economic and Social Council resolution 1997/2.

[10] IFAD, ILO, FAO, the United Nations Division for the Advancement of Women, UNDP, the Economic and Social Council, UN-Habitat, UNEP, UNESCO, UNFPA, UNICEF, UNIFEM, UNODC, the United Nations Office of the Special Adviser on Gender Issues, the United Nations Permanent Forum on Indigenous Issues, WFP and WHO.

annual reports for 2004 and 2005, which revealed that there had been more interventions specifically targeted at women (especially in health and education) than activities related to gender mainstreaming. Additionally, the task team undertook a review of UNDAFs developed between 2004 and 2006 and compared it to a similar review undertaken in 2002. They found that gender equality and women's empowerment were better reflected in the new analysis but there was inadequate evidence that this analysis was underpinning holistic programming in support of gender equality.

2. Enhancing gender expertise

74. As a means to overcoming the gap between good intentions and implementation, the UNDG task team initiated an action-oriented learning process to support a small number of self-selected United Nations country teams to generate replicable good practices in undertaking rights-based, change-oriented programming that helps Government and civil society promote gender equality and women's empowerment.

75. Attempts to develop gender specialist resources in support of gender mainstreaming at the country level and to enhance their effectiveness have so far been partial and relatively ad hoc. No clear mandates for gender specialists have been established, but there are terms of reference for gender advisers and focal points appointed by UNDP, UNFPA and UNICEF at the headquarters level and in regional and country offices. These positions are filled at different levels of seniority. The UNDG task team is developing a roster of gender equality specialists to support United Nations country team coordination processes such as UNDAF formulation and evaluation.

3. Gender balance in appointments in the United Nations system

76. The United Nations system's policy of including gender equality issues in its human resources policies complements gender mainstreaming. Efforts to achieve gender balance in appointments within the United Nations system at the headquarters and country level, including resident coordinator appointments, are encouraged. At the end of 2005, 37 per cent of all Professional staff members of the United Nations common system were women, while in 2000 that percentage was 33.

77. Representation of women in the Professional staff declines significantly at or above grade P-4. The data suggest a general pattern of significant turnover in women professionals among the UNDG institutions in 2005[11] and a loss of women professionals' accumulated skills, knowledge and expertise.

78. Efforts are being made to achieve gender parity among resident coordinators. The percentage of women resident coordinators is still relatively low (26 per cent of resident coordinators in 2005 and 32 per cent in 2007), but improving gradually due to the proactive recruitment system. In 2005, women accounted for 38 per cent of new appointments, compared to 33 per cent in 2004. Out of a total of 42 appointments in 2005, women accounted for 52 per cent of the 23 recruitments of first-time resident coordinators.

[11] UNDP, UNICEF, UNFPA, WFP, WHO, IFAD, UNESCO, FAO, UNIDO, ILO.

4. Tracking allocations and expenditures for gender equality

79. The United Nations system still lacks consistent and systematic mechanisms to track allocations and expenditures for gender equality. Some evaluation reports have tried to track funding and capture expenditures on gender mainstreaming in United Nations entities. It was, however, not possible to make any firm estimate of resources allocated to gender equality due to lack of or inconsistent data. In UNDP, in response to the 2005 evaluation of gender mainstreaming issued in 2006, initiatives have been taken to upgrade accountability for gender equality results as part of a gender action plan for 2006-2007.

5. Gender-responsive budgeting and accountability

80. Effective gender mainstreaming requires systematic gender analysis to ensure gender equality perspectives are identified and incorporated in the design, implementation and evaluation of all projects and programmes. Gender-sensitive budgeting facilitates the assessment of resource allocation to achieve policy objectives on gender equality. Gender audits allow for an assessment of the implementation of the gender mainstreaming strategy within United Nations entities.

81. Gender-responsive budget initiatives around the world have demonstrated how gender analysis in budget formulation can achieve positive policy outcomes for gender equality. Such initiatives involve examining budget policy inputs, outputs and impacts of expenditure and revenue-raising measures from a gender perspective.

82. Capacity-building is essential to ensure a systematic implementation of gender-responsive budgeting. Training has been conducted by UNDP for development practitioners, economists and government officials. As a result, a pool of nearly 100 specialists from 50 countries are engaged in disseminating the knowledge they have gained in their own countries and providing technical support to carry out gender-responsive budgets. A training package was developed by UNFPA and UNIFEM in 2006 to build national and regional capacities on gender-responsive budgeting. To disseminate information, UNIFEM recently released a report entitled "Budgeting for women's rights: monitoring government budgets for compliance with CEDAW".

6. Key achievements and outstanding challenges

83. The United Nations system has made steady progress in promoting the twin-track approach of gender mainstreaming and targeted interventions for the empowerment of women. There has been some progress in increasing gender expertise and gender balance in appointments in the United Nations system with the exception of the higher-level appointments. However, the system still lacks consistent and systematic accountability mechanisms and tools to track allocations and expenditures for gender mainstreaming and women's empowerment.

84. At the country level, national efforts for gender mainstreaming and women's empowerment were supported by capacity development processes. Some progress has been made with accountability through gender-responsive budgeting and gender auditing. However, there has been insufficient gender analysis aimed at identifying and addressing gender perspectives in the design, implementation and evaluation of projects and programmes. A major remaining challenge is establishing the linkages

between the gender equality interventions of the United Nations system and concrete results in terms of changes in national policies, legislation, programmes, social attitudes and behaviours.

D. Transition from relief to development

1. National ownership and the role of the United Nations system

85. During transitions from relief to development, national authorities and national stakeholders need to assume full responsibility for overseeing, coordinating and managing recovery efforts. This is critical to ensuring that recovery is sustained and that international support does not elicit dependency.

86. The United Nations development system has a vital role to play in these situations. The central challenge is for the United Nations to support countries in establishing the foundation for long-term and sustainable development, while maintaining the capacity to respond to immediate humanitarian needs that may still exist or reoccur.

87. The importance of knowledge-sharing and cooperation among developing countries and triangular cooperation modalities involving developed countries has been clearly recognized by the United Nations development system. For example, stakeholders from countries affected by earthquakes have taken part in study tours to witness other countries' experiences with a view to developing reconstruction strategies. Another example is the Initiative on Strengthening the Role of Parliaments in Crisis Prevention and Recovery, developed between UNDP and the Inter-Parliamentary Union.

2. Interdepartmental and inter-agency coordination

88. Significant efforts have been made to strengthen the resident coordinator/humanitarian coordinator system by creating institutional linkages between the coordination structures of resident coordinators and humanitarian coordinators. In some cases, this has meant merging the offices of the resident coordinators and the humanitarian coordinators. Improved systems and standards for the identification, appointment and training of those individuals most able to deliver effective and accountable leadership on the ground have also been introduced.

89. Through the UNDAF process and/or joint programmes, there has been improved collaboration between humanitarian agencies and more development-oriented organizations on issues such as the return and reintegration of refugees. System-wide policies on issues such as food security, disarmament, demobilization and reintegration of armed combatants and their dependents, and education have been established. A system-wide United Nations policy on post-conflict employment creation, income-generation and reintegration will be finalized in 2007.

90. Progress has been made on strengthening interdepartmental and inter-agency platforms for integration in strategic planning at the headquarters and country levels. The endorsement of the integrated mission planning process guidelines provides an opportunity for enhanced coherence among the peacekeeping, humanitarian and development arms of the United Nations. Moves towards greater coordination between the peacekeeping and the development and humanitarian

actors are also evident in integrated offices such as those in Sierra Leone and Burundi.

91. The joint United Nations/World Bank post-conflict needs assessment methodology to support national planning for transition in immediate post-conflict settings continues to provide a strong platform for cohesion among national and international actors. A comprehensive review of the Assessment in 2006 and resulting refinements being introduced in 2007 will further strengthen this tool's contribution to the integrated planning, financing and implementation of national policies in transition settings.

92. United Nations and non-United Nations partners formed a new partnership on early recovery through the Inter-Agency Standing Committee Cluster Working Group on Early Recovery, which focuses on building system-wide global capacity and preparedness to enable recovery to begin early during the humanitarian phase and to influence the way humanitarian relief is carried out, so that it better takes into account longer-term developmental concerns and risk reduction and conflict prevention perspectives.

3. Data collection and information management

93. The United Nations system has increased efforts towards coordinated information collection during the transition phase, in partnership with national actors, and has supported initiatives to strengthen the capacities of national actors to collect and analyse data. Humanitarian information centres are operated by the United Nations Office for the Coordination of Humanitarian Affairs and established usually within government structures early in a crisis, especially in countries where national data does exist. Development assistance databases are also used in transition situations to track the progress of recovery projects with support from UNDP. An inter-agency working group reviews how to make humanitarian information centres, development assistance databases and other systems such as *DevInfo*, which serves to monitor the Millennium Development Goals, more compatible with each other and with national systems.

4. Funding

94. The need to provide more predictable and sustained funding to support transition from relief to development has been receiving increasing attention from the international community. Attempts have been made to use donor funding with greater flexibility, in closer alignment with national needs and with greater timeliness. WFP in particular has been successful in attracting a significant amount of funding through its programme and funding instrument, called protracted relief and recovery operations.

95. UNDG now manages multi-donor trust funds in a number of countries, in collaboration with the World Bank. Recent reviews of these trust funds have highlighted their potential in enhancing national ownership and control of aid allocation, but also pointed to delays and high transaction costs for recipients due to the absence of streamlined procedures and agreements among stakeholders.

96. In some cases, the United Nations system has expanded the scope of the Consolidated Appeal Process to include funding for early recovery activities, but success has been limited. The international community also agreed to establish a

Peacebuilding Fund designed to address immediate peacebuilding needs in countries emerging from conflict. While the Fund offers much-needed catalytic support, it remains limited in size and scope and can therefore only fill part of the funding gap.

5. Key achievements and outstanding challenges

97. Joint planning and information-sharing, both at Headquarters and in the field, have significantly improved, but differences in administrative procedures and funding structures continue to hamper closer collaboration at the operational and programmatic stages. Transition strategies have often included the inputs of non-resident agencies, but greater efforts are needed to ensure consistent participation in both the planning and implementation phases. In addition, the drive towards integration often raises concerns over conflicting mandates, in particular in the area of humanitarian space and neutrality, which have yet to be adequately or consistently addressed.

98. There are challenges to capacity development and national ownership in times of transition. In post-conflict situations in particular, national capacities are frequently severely eroded and unable to meet development challenges. There may be limitations to access to certain stakeholders because of insecurity and/or poor infrastructure. In the absence of an overall multisectoral needs assessment methodology, the recovery assessment process and the follow-up preparation of recovery plans and programmes tend to be supply-driven.

99. As far as funding the transition from relief to development is concerned, there are debates as to how existing mechanisms can and should be sequenced and what should be the division of labour between different instruments, including the degree of complementarities between humanitarian instruments and recovery and long-term development funding. Funding for transition remains significantly inequitable among countries and among sectors within specific countries.

V. Improved functioning of the United Nations development system

A. Coherence, relevance and effectiveness

1. Overall coherence of the United Nations development system

100. Member countries need to have full access to the knowledge, skills and resources of all entities of the United Nations development system. An inclusive approach needs to be fostered in promoting inter-agency collaboration, both at the country and headquarters levels, to secure the participatory involvement of the United Nations development system in country-level operations and, in this way, pursue country-level implementation of the internationally agreed development goals, particularly the Millennium Development Goals. United Nations entities are increasingly committed to strengthening the coherence of their support to national development endeavours.

101. A number of recommendations contained in the report of the High-level Panel on United Nations System-wide Coherence reaffirm and give renewed impetus to country-level reform initiatives mandated by the triennial comprehensive policy reviews of 2001 and 2004. The present report mainly focuses on the implementation

of General Assembly resolution 59/250 and Economic and Social Council resolution 2006/14, with due consideration of the 2005 World Summit Outcome. It assesses the coherence, relevance and effectiveness of the United Nations development system against benchmarks defined in those documents.[12]

2. Coherence in the context of the Common Country Assessment and the United Nations Development Assistance Framework

102. When preparing the CCA, increasing care is taken to avoid duplication or substitution of existing national analytical work and to supplement and strengthen national processes leading to the establishment of national priorities, for example in the form of poverty reduction strategies. The quality of many CCA documents has improved. By early 2007, 164 CCAs had been prepared. In 2005, seven United Nations country teams[13] decided not to conduct a CCA, but to make use of national processes.

103. In February 2007, a total number of 146 UNDAFs were reported as completed. In more than 30 cases, a second UNDAF and in two cases (Ghana and Viet Nam) even three have been prepared. The collective results expected from United Nations system cooperation are described as UNDAF outcomes, the number of which, according to the current guidelines from UNDG, should not exceed three to five. At present, 40 countries have fully integrated the principles and approaches of results-based management within the UNDAF. The results-matrix approach was introduced in 2003. A results-matrix places outcomes and outputs expected under UNDAF in a hierarchical logical framework. Apart from joint programming through UNDAF results matrices, there is also an increased use of joint programmes, which are understood as a set of activities reflected in a common workplan with a budget implemented and funded by at least two United Nations entities. The UNDG website contains information on nearly 350 joint programmes.

104. There are several examples of achievements through improved harmonization of the UNDAFs with national processes. Several external reviews have been conducted by donors or donor country-based institutions to assess UNDAFs and the United Nations development system's performance in the context of the new aid environment.[14] A good integration of the UNDAF with national development plans has been reached in Mozambique through the alignment of the Framework with the poverty reduction strategy processes. Other examples, some of which involve close

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[12] Issues relevant to the dimensions addressed in the high-level report will be addressed in the relevant sections: (a) the One United Nations programme (including progress with the pilots) in the section dealing with common country assessments and UNDAF; (b) the one leader under the resident coordinator system; and (c) the one office under joint offices. Experiences with fund-raising at the country level were already dealt with in the chapter on funding.

[13] Cambodia, Ethiopia, Malawi, Mozambique, Senegal, the United Republic of Tanzania and Zambia.

[14] For example, a regular assessment of the functioning of the United Nations system at the country level is carried out by the Multilateral Organisations Performance Assessment Network (MOPAN), which is a network of nine donor countries. The Network jointly conducts an annual in-house survey of multilateral partnership behaviour in developing countries (partnerships with national Governments, civil society and other bilateral and multilateral development agencies). It should, however, be noted that the surveys are based on the perceptions of the staff in the field missions/embassies of the MOPAN members and thus cannot be treated as evaluations. Other useful assessments include the review by the Scanteam from Norway (2005) and by the Overseas Development Institute in the United Kingdom of Great Britain and Northern Ireland (2006).

coordination with Bretton Woods institutions, are illustrated by experiences in Azerbaijan (support to the development of the national plan), Ethiopia (integration of the Millennium Development Goals into the poverty reduction strategy), Ghana (sector-based assessments), the Libyan Arab Jamahiriya (building the capacities of provincial planning officers), Senegal (building capacity for poverty analysis), the United Republic of Tanzania (support to the national strategy), Yemen (making the poverty reduction strategy Millennium Development Goal-based) and Zambia (support to a single Government-led Millennium Development Goal-based national development plan). At the headquarters level, UNDP and the World Bank have established a joint task force on scaling up cooperation to allow low-income countries develop their own cross-cutting strategies, which in many cases would be poverty reduction strategies, to achieve the Millennium Development Goals.

105. Progress has also been made with the harmonization of programming cycles among United Nations entities with multi-year programmes that belong to the Executive Committee of UNDG. As at February 2007, the programming cycles of those entities have been harmonized in over 110 countries and, to the largest possible extent, synchronized with national programming cycles, including poverty reduction strategies. The harmonization of the programming cycles for a wider range of United Nations development entities is, however, still a challenge. One of the major deterrents to increased strategic and operational coherence is the variance in the funding frameworks, cycles and modalities across the different funds, programmes, agencies and other entities of the United Nations system.

106. The common country assessment and UNDAF processes are, in practice, largely implemented by United Nations country teams composed of representatives of resident United Nations entities. As UNDG has expanded its membership beyond Executive Committee members (UNDP, UNFPA, UNICEF and WFP) to include more than 20 other agencies and entities of the United Nations system, membership in the United Nations country teams has also become more inclusive. Representatives and sometimes resident technical staff of specialized agencies (WHO, FAO, ILO, UNESCO, the World Bank and the International Monetary Fund (IMF)) are regular members of the United Nations country teams. Increasingly, attempts are made to involve non-resident agencies in the common country assessments and UNDAF processes, but the level of their participation has not yet been found sufficient or satisfactory.

107. In line with UNDG guidance, the common country assessment and UNDAF processes have become increasingly strategic and focused on helping developing countries achieve Millennium Development Goals. These processes do not in practice address the wider spectrum of internationally agreed development goals and/or international treaty obligations. Priority themes such as decent work and employment, rural and/or agricultural development, industrialization and the interface between trade and development are mostly not articulated in the context of the common country assessment and UNDAF processes. This weakens or limits the value of development contributions from the United Nations system.[15] The economic expertise of several specialized agencies and other United Nations entities

[15] Some specialized agencies have their own national planning frameworks that may not be coordinated with the common country assessment and UNDAF processes. Examples include the FAO National Medium-Term Priority Framework, the ILO Decent Work Country Programmes and the WHO Country Cooperation Strategy.

could be a major asset to United Nations country teams dealing with macroeconomic dimensions, but the weak link with common country assessments and UNDAFs has so far tended to constrain the contribution to and engagement in the overall development support process mounted by the United Nations system.[16]

108. Recent UNDG guidance has introduced annexes to the UNDAF results matrix for themes related to normative roles and specialized mandates of other (resident or non-resident) United Nations entities that are not taken into account in the three to five major Framework outcomes. The question remains as to whether those tools are sufficient to make the Assessment and Framework processes reliably and fully reflect all development priorities of the country to which the United Nations system can make a valid contribution.

109. The launch of the One United Nations pilots is currently at the inception stage. The pilots are being undertaken on a voluntary basis under government leadership in Albania, Cape Verde, Mozambique, Pakistan, Rwanda, the United Republic of Tanzania, Uruguay and Viet Nam. In addition to the above-mentioned challenges related to the need for inclusiveness, a major challenge is how to ensure that all United Nations entities, including specialized agencies and entities dealing with cross-border issues (such as regional commissions, the Office of the United Nations High Commissioner for Refugees, UNODC and UNCTAD) can exercise their relevant normative and operational mandates in these countries, especially if the One Country Programme provides an exclusive budgetary framework. At the same time, the challenge is to keep the approach as light, flexible, strategic and focused as possible. Modalities for organizing support from headquarters and regional entities, and more particularly from UNDG, are still under consideration.

110. The pilot experiences will be reviewed and evaluated at regular intervals during their implementation. The United Nations Evaluation Group will (a) assess whether the initiatives can be meaningfully evaluated (through evaluability assessments), once the objectives of the One United Nations programme as a whole and of each of the One United Nations pilots have been clearly established; (b) review self-assessments by pilot country Governments and United Nations partners; and (c) eventually conduct full-fledged evaluations of the experiences in cooperation with respective member countries.

3. Resident coordinator system and United Nations country teams

111. The resident coordinator system is a fundamental vehicle for enhancing system-wide coherence at the country level. Adequate financial resources are necessary to ensure that the resident coordinator system is effective in carrying out its central coordinating role. In 2005, UNDP committed $52.1 million of its biennial support budget and $14.4 million of its programme support to the resident coordinators. It also raised $10.3 million in other resources. These commitments were expected to rise by about 5 to 10 per cent per year in both 2006 and 2007. However, the costs of the resident coordinator system have not yet been

[16] At the present stage for example, there is no link or harmonization between the Integrated Framework for Trade-related Technical Assistance, and the common country assessment and UNDAF processes, although the Integrated Framework is harmonized with the poverty reduction strategy paper process and involves not only UNCTAD and the International Trade Centre but also UNDP, IMF, the World Bank and the World Trade Organization.

systematically assessed, analysed and compared to total programme expenditures for operational activities for development.

112. The management of the resident coordinator system has been firmly anchored in UNDP. Financial, technical and organizational support for the resident coordinator system continues to be provided by UNDP. The function of resident coordinator is often performed by the resident representative of UNDP without clear delineations of their responsibilities as manager of the resident coordinator system, on the one hand, and their programmatic role as UNDP representative, on the other. The separation of the two functions is necessary to avoid certain conflicts of interest (such as in fund-raising) and confusing outside perceptions as to the respective roles. In complex situations, UNDP now appoints a country director to run its own core activities, so as to assure that resident coordinators are fully available for their tasks and the above-mentioned risks are minimized. UNDP has thus far appointed 28 country directors and aims at having 40 country directors in the field by the end of 2007. Although still under UNDP management, resident coordinators increasingly come from outside UNDP, from other United Nations entities or through external recruitment.

113. Special emphasis is placed on adequate training of resident coordinators. UNDP, in collaboration with UNDG and the United Nations System Staff College, provides training for resident coordinators (and for members of United Nations country teams). Specialized agencies and other non-resident United Nations entities continue to express some discontent with the inadequate familiarity of several resident coordinators with the mandates of their respective entities and the country-level activities and links with the normative functions of those entities. Since 2006, resident coordinators have been introduced to a new training module related to agency orientation, which should enhance their familiarity with mandates and programming links.

114. A new performance appraisal system for resident coordinators has been designed. The aim of the new system is to allow representatives from United Nations entities and regional director teams to provide direct inputs into resident coordinator assessment ratings. The appraisal rates performance against the workplan and includes a Web-based 180 degree mutual self-assessment, in which resident coordinators and United Nations country team members assess their own performance and that of other team members. The accountability framework for the resident coordinator needs to fully reflect the ownership and leadership of Governments of host countries in the development process. In addition, this framework needs to take account of the institutional structure of governance in the United Nations system and be compatible with the present distribution of accountabilities of the various funds, programmes, agencies and other entities.

115. UNDG established an inter-agency working group on non-resident agencies in October 2005. This working group has notably recommended appointing non-resident agency coordination analysts in a limited number of countries on a pilot basis as from 2007.[17] The non-resident agencies Coordination Analyst's main function is to provide support for the inclusion and equal participation of non-resident United Nations agencies and other entities in the One United Nations/UNDAF processes in the countries that are adopting this pilot formula to enhance system-wide coherence.

[17] The One United Nations pilot countries are Albania, Cape Verde, Mozambique, Pakistan, Rwanda, the United Republic of Tanzania, Uruguay and Viet Nam. 2007 UNDAF countries include Afghanistan, Benin, Côte d'Ivoire, Ecuador, Niger and Nigeria.

116. Consultations conducted for this report indicated that the utilization of advanced information and communication technology could enhance information-sharing and knowledge-management and thus the effective delivery of development cooperation by the United Nations system. Knowledge-management in the United Nations system has been found not to be sufficiently strategic, focused or well-integrated with organizational objectives. Adequate knowledge-management is central to greater inclusiveness in the United Nations system's operational activities at the country level.

4. Key achievements and outstanding challenges

117. National development strategies provide the framework for the focus of United Nations Development Assistance Frameworks, which should have a limited number of outcomes (not exceeding three to five). Nevertheless, UNDAFs as currently conceptualized tend to focus predominantly on social development issues and less on issues related to sustained economic growth, productive sectors and the broader international agenda of the internationally agreed development goals. The recently revised CCA/UNDAF guidelines therefore underline the importance of including the broader agenda of the internationally agreed development goals as a basis for analysis and planning at the country level, in the context of the national development planning process.

118. A more inclusive process would be needed to allow developing countries to have greater access to the full range of normative and operational mandates and expertise of specialized agencies and entities, including those dealing with cross-border and regional dimensions. The central challenge for the common country assessment and United Nations Development Assistance Framework processes is how to reconcile the need for a strategic focus and the need for inclusiveness in order to best respond to national priorities. A factor that should be conducive to more involvement of non-resident agencies in the process — possibly through better communication and adequate knowledge-management — is the fact that most of them already entertain direct relations with technical ministries and other partners in developing countries.

119. A key factor for the correct functioning of the resident coordinator system is its collegiality and the high degree of participation by all entities of the United Nations development system that have country-level operations in different country-level initiatives, whether they are present in the country or not. The resident coordinator best functions as a facilitator. Collegiality also requires that the resident coordinator take full responsibility for encouraging participation from colleagues in the United Nations system in system-wide initiatives at the country level, promoting interaction among various United Nations entities and promoting coordinated and consensual initiatives for the pursuit of common goals. Promoting collegiality is a catalytic role through which the leadership of the resident coordinator is best manifested.

B. Regional dimensions

1. Decentralization and regionalization in the United Nations system

120. Many issues that need to be addressed by operational activities of the United Nations system are of a transboundary nature and need to be addressed in a regional

and subregional context. All funds and programmes now have regional and/or subregional offices, as do several specialized agencies. For some entities, such as ILO and WHO, the existence of such offices has been a long-standing tradition, instituted in order to respond more adequately to the needs of member countries in the region and facilitate their participation in regional and global processes.

121. Some funds and programmes have strengthened their regional offices, which are expected to bring added value to country offices. Much headway was made in 2005 and 2006 in enhancing the role of regional directors across agencies. Regional director teams have become operational in six regions: all funds, programmes and agencies were invited to contribute towards coherent and coordinated regional support to country teams. This included technical support for programme and operations and oversight for performance.

122. Regional bureaux and regional support structures of the funds, programmes and agencies are still located in different places and cover different countries. Until recently, the location of offices and their coverage were not coordinated among United Nations entities, but were decided by the governing body of each United Nations entity, responding to its respective mandates and ad hoc geopolitical considerations. With a growing concern for the coherence and efficiency of the United Nations system as a whole, regional alignment in terms of the location of offices and coverage among all United Nations entities has increased.[18]

2. Contributions of regional commissions

123. Regional commissions are a fundamental component of the basic structure of the United Nations system. The regional commissions' dual role as regional arm of the United Nations, on the one hand, and part of the regional institutional landscape, on the other, endow them with unique comparative advantages to address cross-border and regional issues of development. They have developed a strong multidisciplinary expertise in a number of development-related issues and in areas that are of interest to transboundary challenges of the respective regions, which, in combination with their neutrality and convening power, is of great value to the respective Member States. Regional commissions have also been instrumental in ensuring the regional review and monitoring of the internationally agreed development goals including the Millennium Development Goals.

3. Key achievements and outstanding challenges

124. By introducing regional perspectives to the global development agenda, the United Nations system can identify appropriate and realistic solutions, while avoiding the limitation of a purely country-based approach, which may deprive countries of the benefits of analyses of transboundary issues. The regional dimension also opens up new possibilities for South-South cooperation, especially for the mobilization of technical, technological and financial resources, within and between regions.

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[18] The structures for Latin America and the Caribbean are increasingly aligned with a regional hub in Panama. Asia and the Pacific now have a regional hub in Bangkok. The region of Africa has hubs in Dakar, Nairobi and Johannesburg. In two regions it has proven more difficult to find a common location for regional structures and a common geographical alignment: Central and Eastern Europe and the Commonwealth of Independent States as well as the Middle East and North Africa.

125. While there are advantages to co-locating the regional teams of United Nations entities in a limited number of hubs and better geographically aligning them, the needs and expectations of countries in such large regions may be very diverse and may not necessarily be better served from large regional hubs than from headquarter locations. Very specific subregional issues, such as the HIV/AIDS pandemic, post-conflict and disaster preparedness issues, drug control and cross-border migration, need to be addressed at the subregional level. For some more specialized entities, it may make more sense to have their regional offices in locations other than the main hubs.

126. Cooperation and coordination between regional commissions and United Nations funds, programmes and agencies is still relatively underdeveloped. There are some examples of good cooperation at the regional level. For example, the analytical capabilities of the Economic Commission for Latin America and the Caribbean are increasingly being used by United Nations operational agencies and programmes at the regional level, including WFP, UNICEF, UNFPA, UNDP and UNESCO.

C. Transaction costs and efficiency

1. Simplification and harmonization of procedures and implementation arrangements

127. Transaction costs inherent to the delivery of external aid to developing countries have become an increasing source of concern for both developed and developing countries. Since 2004, the United Nations system has intensified its efforts to rationalize its implementation arrangements, especially at the country level, and to simplify and harmonize its administrative and financial procedures.[19] Efforts have focused particularly on (a) rationalizing the United Nations country presence through common premises and co-location; (b) implementing the joint office model; and (c) establishing common and shared support services.[20] The Harmonized Approach to Cash Transfers, launched in 2005, is one of the latest initiatives to embody the simplification and harmonization agenda.

128. The common premises initiative entails the co-location in one place of several United Nations entities and possibly the establishment of a United Nations house. There are currently 60 United Nations houses around the world. The rationale has primarily been to reduce the cost for rent and maintenance. In some cases, not all United Nations entities find it practical to move into common premises: certain entities have a strong humanitarian programme characterized by fluctuations in office space requirements or seek close proximity to their respective line ministries in Government. This may be true for agencies such as WHO, FAO or UNESCO. The UNDG Working Group on Common Premises offers guidance on the establishment of common premises. At present there is no comprehensive assessment as to the benefits of common premises in terms of cost-saving or other advantages.

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[19] More detailed information on measures to simplify and harmonize rules and procedures can be found in the consolidated list of issues related to the coordination of operational activities for development, prepared annually, for the substantive session of the Economic and Social Council, by the United Nations funds and programmes in compliance with Economic and Social Council resolution 1998/27.

[20] Cost recovery was addressed in chapter II on funding.

129. The joint office concept was originally conceived as a means to achieve increased cost-efficiency by streamlining representation and operations, especially in countries with relatively small United Nations system presence where combined United Nations representation, staffing and support costs were disproportionate to programme budgets. At a later stage, the concept was expanded to include one common country programme. In 2004, the intention was to create 20 joint offices by the end of 2007. Thus far, one joint office has been established, in Cape Verde.[21] The initiative has received a new impetus from the High-level Panel on United Nations System-wide Coherence in 2006, which proposed One United Nations pilots with one leader, one programme, one budget and, where appropriate, one office.

130. The joint office in Cape Verde was officially launched under the name of United Nations Office of Funds and Programmes in January 2006. The Executive Boards of UNDP, UNFPA, UNICEF and WFP approved the common country programme in 2005 for the cycle commencing in 2006 and the country programme action plan was signed in December 2005 by the Government and the four agencies. The common programme is structured thematically, not according to the mandates of participating agencies. A review managed by UNDG in early 2007 focused on the process of establishing the joint office in Cape Verde and found the experience satisfactory, taking into account the fact that this was a pilot effort.

131. Efforts to develop common support services among resident United Nations entities date back to 2001, but the programme was boosted in 2004, when the training of administrative staff from United Nations country teams was intensified in cooperation within UNDG. 2006 was the last year of the UNDG-led common services programme, which, by the end of that year, had provided support to approximately 70 countries. In 2006, a major review of the programme under UNDG refocused common services support on the harmonization of core joint office business practices, as well as the provision of support to the One United Nations pilot countries.

132. Common support services related to safety and security have gained in importance in the new millennium. The establishment of the Department of Safety and Security in January 2005 consolidated and enhanced existing security and safety structures of the Office of the United Nations Security Coordinator at headquarters and in the field offices. Owing to the strengthening of the security management system, in particular the increased number of security staff, field-related security costs have almost quadrupled from $42.9 million for the 2002-2003 biennium to a projected $169.1 million for the 2006-2007 biennium. Of the 2006 allotments regarding field and field-related costs, 85 per cent were allotted to field security.

133. The Harmonized Approach to Cash Transfers was launched in April 2005 between the UNDG Executive Committee members. The rationale behind the Approach is to (a) reduce transaction costs for partners and United Nations staff by reducing, simplifying and standardizing procedures; (b) promote the use of national systems as a way to strengthen the self-reliance of countries in managing their development; and (c) focus more on building sustainable national capacity. The Approach bases cash transfers on the upfront assessment of risks rather than on the verification of expenditure. The Approach involves two types of capacity assessments:

[21] A second joint office was initially planned in the Maldives, but was, however, not implemented in the aftermath of the tsunami of December 2004.

(a) a macroassessment of the national public financial management system in the country; and (b) a series of microassessments of the adequacy of financial management systems, practices and controls of implementing partners. Eighty-two countries have prepared a detailed Approach implementation plan and 60 countries have introduced the Approach to government and/or local donor representatives. Macroassessments have been initiated or completed in 53 countries, while one in three of the 118 countries involved in implementing the Approach have initiated or completed microassessments.

134. Linking the introduction of the Harmonized Approach to Cash Transfers to relevant national processes is central to a successful implementation of the modality. Initial results from Cape Verde suggest that partners with the most reliable financial systems tend to benefit most in terms of more timely payments and reduced transaction cost. The Approach also has the potential to promote the quality of financial management in partner entities. Strong leadership by the resident coordinator and heads of agencies is important, as the process involves sensitive negotiations with national partners. The establishment of an inter-agency Harmonized Approach to Cash Transfers team is also of vital significance.

2. Key achievements and outstanding challenges

135. UNDP, UNICEF, UNFPA and WFP have made significant investments in the rationalization of their country presence. However, the number of country teams that have moved into common premises or even established joint offices has remained significantly below target. The involvement of non-resident agencies in the establishment of the joint office in Cape Verde has so far been marginal. There are indications that the dimension of inclusiveness of non-resident agencies will now be addressed more systematically and comprehensively in Cape Verde and in the other new One United Nations pilot countries.

136. Some progress has been made with the introduction of common support services and new administrative and financial procedures. The monitoring of the benefits of these new procedures has not been satisfactory. It may be assumed that some savings on transaction cost have been made for both national Governments and the United Nations entities themselves, but there is little solid evidence in this regard. In general, administrative reform at the country level is likely to become more successful when it is driven by a common vision among all stakeholders concerning the role and contribution of the United Nations system in the national context.

D. Country-level capacity of the United Nations development system

1. Reforms of human resource management

137. All entities of the United Nations system presently espouse a common approach to human resource management and most have in place the main elements of a professional human resources management operation. Several funds, programmes, specialized agencies and other entities of the United Nations system have launched human resources strategies and policies that aim to best respond to the needs of member countries and address the multiple challenges posed by shifts in the skill requirements and age structure of their workforce.

2. Decentralization processes

138. Several United Nations entities, including some specialized agencies, have continued to decentralize their capacity, a trend that began more than 20 years ago. Today, the majority of the United Nations development system's staff is located in the field. This is also the case for the United Nations Secretariat. Personnel serving with entities of the United Nations common system at the field level increased to 54 per cent of all staff in 2005 from 45 per cent in 2000.

139. Looking at selected entities, the picture is quite mixed. More than 70 per cent of the staff of UNDP, UNICEF, UNFPA and WFP are in the field. The specialized agencies retain a stronger portion of their professional staff at headquarters. These different situations depend on mandates, financial constraints, and the role of regional office subsystems. In countries where UNIDO has no full-fledged regional or country office, it has established an arrangement with UNDP, under which a UNIDO national professional staff member works at the country level with the United Nations country team, making use of UNDP facilities and sharing common services.

140. Several United Nations entities have moved their staff to regional or subregional offices, instead of country offices. Regional structures are becoming increasingly important. Regional directors of the UNDG Executive Committee members and of other agencies are becoming key mechanisms for supporting the country teams and bolstering the capacity for response by the United Nations system in the countries and regions. ILO is integrating its regional structures with an increased country presence. Other agencies, such as UNESCO, rely on regionally based experts and technical staff from their subregional offices.

3. Technical capacity at the country level and the use of knowledge-management networks

141. The effectiveness of the United Nations system at the country level is constrained by the quality of expertise available to United Nations country teams. Studies conducted for this report show that prevailing skills at the country level are still mixed, and the staff quality is uneven, although the situation varies depending on the country and the agency. An effective response to national development processes requires vast knowledge in several disciplines. However, not all skills need to be present in United Nations country teams, as they can also be accessed from within and beyond the United Nations system through adequate knowledge management, with the use of modern information and communication technologies.

142. An important approach to strengthening the response capacity of the United Nations system is increasing the use of national professional officers, who enable United Nations field entities to achieve greater relevance and continuity. A survey conducted by the International Civil Service Commission in 2005 found that the number of national professional officers had increased throughout the United Nations system, reaching 4,777, as compared with the 1,299 reported by seven system entities in 1993.[22] Further growth is to be expected as new arrangements are

[22] In 2004, UNICEF had the largest number of national professional officers, with 1,523 staff members, followed by UNDP with 832, WFP (267), WHO (248), UNFPA (228), FAO (92), UNESCO (72) and UNIDO (17).

put in place to extend the services of non-resident organizations and implement ad hoc agreements of UNDP with some United Nations entities.

143. The capacity to attract and retain qualified staff is still a major challenge. Increased inter-agency mobility has made some progress. The International Civil Service Commission issued, in November 2005, a revised policy on inter-agency mobility to facilitate greater harmonization of compensation and benefits in the United Nations common system, in order to favour exchange agreements. Some United Nations entities such as UNDP and UNICEF are engaged in re-profiling their staff in order to achieve the most appropriate mix of skills for effective policy advisory work in key technical, social and economic areas.

144. The United Nations system taps external expertise by maintaining networks of specialists and collaborating with institutions that provide access to additional specialized expertise and knowledge. The UNDG policy network makes available, online, to national Governments, 110 regionally based technical experts from 15 United Nations entities.[23] An excellent example of what the United Nations system can provide are the Subregional Resource Facilities established by UNDP.

4. Key achievements and outstanding challenges

145. The globalization processes and the new development agenda have generated pressing demand from developing countries for United Nations development support. This demand challenges the operational capacity of the United Nations system at the country level. The system is responding through reforms in human resources management and ongoing processes such as decentralization, re-profiling and targeted recruitment.

146. Limitations in the quality of expertise available to United Nations country teams and the access of recipient countries to a great variety of skills and expertise from the United Nations system constrain the effectiveness of the United Nations system's response at the country level. The system's capacity to mobilize all the fundamental skills required to support national development strategies and the achievement of the Millennium Development Goals and other relevant internationally agreed development goals is limited by severe organizational and financial constraints and still requires intensive, harmonized and integrated efforts.

E. Evaluation of operational activities for development

1. The evaluation function in the United Nations system and system-wide collaboration on evaluation

147. Many funds, programmes and agencies of the United Nations development system now have a dedicated evaluation function, but the importance given to evaluation and the institutional arrangements are still rather uneven. In some cases, evaluation is embedded within the mandate of oversight services, while in others it is combined with planning, programming and monitoring functions. Very few evaluation offices are independent in the sense that they directly and independently report to governing bodies or to the head of the specific entity. Evaluation offices

[23] Other good examples are FAO, IFAD, UNCTAD and UNESCO.

are generally under-resourced. Few United Nations entities have fully developed evaluation policies.

148. Over the last three years, the evaluation function has been strengthened across the United Nations development system.[24] The United Nations Evaluation Group[25] brings together units responsible for the evaluation function within the United Nations system. Presently, the Group's membership comprises 45 evaluation units representing not only funds, programmes and agencies dealing with operational activities for development, but also the United Nations Secretariat, regional commissions and entities dealing with environmental and humanitarian affairs.

149. The Group's 2005 adoption of evaluation norms and standards that are in line with international standards for evaluation constituted a landmark for the harmonization and simplification of the evaluation function in the United Nations system. The agreed norms and standards — acknowledged by the Economic and Social Council in its resolution 2006/14 as a contribution to strengthening evaluation as a United Nations system function — provide a set of shared values, a solid conceptual framework and sound guiding principles for evaluation. Group members are encouraged to promote in their respective entities the adoption of the principles and approaches set out in the Group s norms and standards.

150. The Group has made a proposal to CEB that examines ways of strengthening United Nations system-wide evaluation. UNEG's proposal comprises (a) strengthened and more independent evaluation functions in each of the United Nations system entities for evaluating their own performance and to contribute to harmonized methodologies and system-wide evaluation; (b) strengthened networking, collaboration and innovation through the Group; and (c) the establishment of a new, small, independent evaluation unit to conduct system-wide evaluation. In the absence of such a system-wide independent evaluation mechanism, the Group will collectively be involved in the evaluation of the eight pilot One United Nations country programmes.

2. Country-level evaluation

151. In its resolution 59/250, the General Assembly emphasized that the Governments of developing countries have primary responsibility for coordinating external assistance, including that from the United Nations system, and evaluating the impact of this contribution to national priorities. The emphasis on national ownership and leadership of the evaluation process by developing countries represents a paradigm shift as compared from the traditional approach, wherein evaluation was mostly commissioned by funding entities.

152. Recent meta-analyses of evaluation samples from the new United Nations Evaluation Group country-level evaluation database showed that most evaluations were still initiated and conducted by United Nations entities, and ownership of and leadership in the evaluation process by the Governments or other organizations in developing countries was assessed as being relatively weak. The meta-analyses also found most evaluations to be agency-specific and to give little room to joint

[24] A possible exception is the evaluation function in the Joint Inspection Unit, as this body has recently focused more on audit and internal oversight.

[25] The name of the original network was the Inter-Agency Working Group on Evaluation. It was created in 1984.

programming and/or joint programmes under the United Nations Development Assistance Framework process or poverty reduction strategies.

153. The Government of South Africa and the Group are currently undertaking a country-led evaluation that will assess whether the current role, functions and strategic position of the United Nations system are relevant in the present context and whether the contribution enables South Africa to derive maximum value from United Nations support. The exercise will be co-funded and managed by the Government of South Africa in partnership with the Group. It is expected that lessons will be drawn on how to conduct country-owned and country-led evaluations of United Nations contributions for consideration in the conduct of similar exercises in other countries.

154. In its resolution 59/250, the General Assembly also encouraged country-level evaluations of the United Nations Development Assistance Framework process at the end of the programming cycle, based on the results matrix, with the full participation of and leadership by the recipient Government. This provision has so far not been implemented on a large scale. The common country assessment/United Nations Development Assistance Framework guidelines for United Nations country teams contain guidance on monitoring and evaluation plans that should complement results matrices. Reviews are to be undertaken annually and a Framework evaluation is expected to be conducted in the penultimate year of the programme cycle. The guidance was found not to be sufficiently complete and practical. Monitoring and evaluation activities need to be planned and resourced from the start of the multi-year plan of the Frameworks.

3. Evaluation capacity development in developing countries

155. In the international debate, evaluators from developing countries increasingly adapt current evaluation approaches and methods to the specific needs and cultural contexts of evaluation stakeholders and clients. UNICEF, UNIFEM, UNDP and other United Nations entities have been involved in the promotion and development of professional organizations of evaluators in developing countries and thereby joined similar initiatives of bilateral donors, such as Japan, and international financial institutions, in particular the World Bank and the Asian Development Bank. UNICEF and UNDP have provided much support to the African Evaluation Association and other regional and national evaluation associations in other regions of the world.

156. It is not only the individual capacity of professionals and their associations which requires strengthening. There is also a need to develop and integrate evaluation functions in national Governments and other partner institutions in developing countries. Such evaluation functions should meet the same standards in terms of independence and credibility as those of similar structures in developed countries. Evaluation is an essential part of rights-based approaches and results-based management fostering good governance. Evaluation is an indispensable tool for accountability and learning for both public and private institutions.

157. The inadequate capacity of United Nations country teams to design and manage evaluations explains to a great extent why United Nations Development Assistance Framework evaluations have not been implemented. Such shortcomings cannot be compensated by the ad hoc use of external consultants, if evaluations of United Nations performance are to be designed and used in ways that adequately

meet organizational requirements for best addressing national development needs and supporting the policies and priorities of national Governments and other partners.

4. Key achievements and outstanding challenges

158. Since 2004, much progress has been made in strengthening the evaluation function in funds, programmes, agencies and other entities of the United Nations system and in harmonizing and simplifying norms and standards in evaluation policies and methods. It is now necessary to strengthen evaluation expertise among staff within the United Nations system at the country, regional and headquarters levels and to make optimal use of external specialist resources.

159. Some progress has been made in national evaluation capacity development, but this challenge has thus far not been addressed on a sufficient scale, nor has it been sufficiently resourced. Evaluation needs to be more integrated in overall capacity development efforts. United Nations funds, programmes and agencies have a special mandate and role in the development of evaluation capacities in programme countries. Support needs to be provided to dedicated professional institutions that can assume leadership in evaluation processes in those countries, so that Governments and other national partners can increasingly exercise ownership in the evaluation of external assistance, including that provided by the United Nations system.

United Nations E/2007/53

Economic and Social Council

Distr.: General
2 May 2007

Original: English

Substantive session of 2007
Geneva, 2-27 July 2007
Item 13 (m) of the provisional agenda*
Economic and environmental questions: transport of dangerous goods

Work of the Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals

Report of the Secretary-General

Summary

In accordance with Economic and Social Council resolution 645 G (XXIII), the Secretary-General reports biennially to the Council on the work of the Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals, and of its two subcommittees.

The present report concerns the work of the Committee of Experts during the biennium 2005-2006 and the implementation of Economic and Social Council resolution 2005/53.

In accordance with that resolution, the secretariat has published the fourteenth revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations*, the amendments to the fourth revised edition of the *Recommendations on the Transport of Dangerous Goods: Manual of Tests and Criteria* and the first revised edition of the *Globally Harmonized System of Classification and Labelling of Chemicals (GHS)*.

All main legal instruments or codes governing the international transport of dangerous goods by sea, air, road, rail or inland waterway have been amended accordingly, with effect as from 1 January 2007, and many Governments have also transposed the provisions of the *Model Regulations* into their own legislation for domestic traffic for application as from 2007.

* E/2007/100.

07-32837 (E) 290507

Many Governments and international organizations have taken steps to revise existing national and international legislation in order to implement the GHS by the recommended target date of 2008.

The Committee adopted amendments to the *Model Regulations* and the *Manual of Tests and Criteria*, which consist mainly of new or revised provisions that concern the safe transport of radioactive material; harmonization and standardization of the transport of gases; harmonization with the GHS; the transport of infectious substances; transport of dangerous goods in excepted quantities; and new dangerous substances and articles.

The Committee also adopted amendments to the GHS that consist mainly in the clarification of the interpretation of the building block approach; classification criteria and hazard communication for some types of explosives; codification of hazard and precautionary statements; classification of toxic gas mixtures; criteria for the evaluation of sensitization/induction/elicitation and guidance on how to consider important factors in the classification for carcinogenity and on the information to be included in section 14 (Transport information) of the Safety Data Sheets.

The Committee adopted a programme of work for the biennium 2007-2008; sessions for the Subcommittee of Experts on the Transport of Dangerous Goods, for the Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals and for the Committee have been planned for the period 2007-2008 in accordance with Economic and Social Council resolution 1999/65.

The Committee is recommending a draft resolution on its work for adoption by the Economic and Social Council.

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I. Draft resolution for adoption by the Economic and Social Council

1. The Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals recommends to the Economic and Social Council the adoption of the following draft resolution:

Work of the Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals

The Economic and Social Council,

Recalling its resolutions 1999/65 of 26 October 1999 and 2005/53 of 27 July 2005,

Having considered the report of the Secretary-General on the work of the Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals[1] during the biennium 2005-2006,

A
Work of the Committee regarding the transport of dangerous goods

Recognizing the importance of the work of the Committee for the harmonization of codes and regulations relating to the transport of dangerous goods,

Bearing in mind the need to maintain safety standards at all times and to facilitate trade, as well as the importance of this to the various organizations responsible for modal regulations, while meeting the growing concern for the protection of life, property and the environment through the safe and secure transport of dangerous goods,

Noting the ever-increasing volume of dangerous goods being introduced into worldwide commerce, and the rapid expansion of technology and innovation,

Recalling that the major international instruments governing the transport of dangerous goods by the various modes of transport and many national regulations are now better harmonized with the Model Regulations annexed to the Committee recommendations on the transport of dangerous goods, but that the uneven progress in the updating process of national inland transport legislation in some countries of the world remains, inter alia, a reason for regulatory disharmony at the worldwide level and represents a serious legislative obstacle to international multimodal transport,

Aware of activities initiated by the International Atomic Energy Agency in order to address the problems caused by the denial of shipments of radioactive

[1] E/2007/53.

material, including the creation of a senior-level steering committee including representatives from international organizations,[2]

Sharing the concern of the International Atomic Energy Agency at the negative consequences of these denials and related transport delays which render radioactive isotopes useless for their intended application, such as medical diagnosis, therapy, industrial applications, production of nuclear power and research,

1. *Expresses its appreciation* for the work of the Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals with respect to matters relating to the transport of dangerous goods, including their security in transport;

2. *Requests* the Secretary-General:

(a) To circulate the new and amended recommendations[3] on the transport of dangerous goods to the Governments of Member States, the specialized agencies, the International Atomic Energy Agency and other international organizations concerned;

(b) To publish the fifteenth revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations*[4] and the amendments to the fourth revised edition of the *Recommendations on the Transport of Dangerous Goods: Manual of Tests and Criteria*[5] in all the official languages of the United Nations, in the most cost-effective manner, no later than the end of 2007;

(c) To make those publications available on the website of the Economic Commission for Europe,[6] which also provides secretariat services to the Committee, and to make them available also on CD-ROM;

3. *Invites* all Governments, the specialized agencies, the International Atomic Energy Agency and the other concerned international organizations to transmit to the secretariat of the Committee their views on the Committee's work, together with any comments that they may wish to make on the amended recommendations;

4. *Invites* all interested Governments, the regional commissions, the specialized agencies and the international organizations concerned to take into account, when developing or updating appropriate codes and regulations, the recommendations of the Committee;

5. *Requests* the Committee to study, in consultation with the International Maritime Organization, the International Civil Aviation Organization, the regional commissions and the intergovernmental organizations concerned, the possibilities of improving the implementation of the Model Regulations on the Transport of Dangerous Goods in all countries for the purposes of ensuring a high level of safety and eliminating technical barriers to international trade, including through the further harmonization of international agreements or conventions governing the

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[2] International Atomic Energy Agency General Conference resolution CG(50)RES/10, part B, para. 13.

[3] ST/SG/AC.10/34/Add.1 and Add.1/Corr.1, and Add.2.

[4] ST/SG/AC.10/1/Rev.15.

[5] ST/SG/AC.10/11/Rev.4/Amend.2.

[6] http://www.unece.org/trans/danger/danger.htm.

international transport of dangerous goods, or a possible joint approach to the development of an effective international instrument on multimodal international transport of dangerous goods, as appropriate;

6. *Invites* United Nations programmes, specialized agencies and other intergovernmental organizations concerned with transport of dangerous goods safety or transport facilitation, or by the negative impact of denials of shipments of radioactive material, as well as non-governmental organizations representing transport associations, to take action, as deemed appropriate, to facilitate transport and quick delivery of such material and to enhance cooperation in this respect with the International Atomic Energy Agency;

B

Work of the Committee regarding the Globally Harmonized System of Classification and Labelling of Chemicals

Bearing in mind that the World Summit on Sustainable Development at its 2002 session in Johannesburg, in paragraph 23 (c) of its Plan of Implementation,[7] encouraged countries to implement the Globally Harmonized System of Classification and Labelling of Chemicals as soon as possible with a view to having the system fully operational by 2008,

Bearing also in mind that the General Assembly, by its resolution 57/253 of 20 December 2002, endorsed the Johannesburg Plan of Implementation and requested the Economic and Social Council to implement the provisions of the Plan relevant to its mandate and, in particular, to promote the implementation of Agenda 21 by strengthening system-wide coordination,

Noting with satisfaction:

(a) That all United Nations programmes and specialized agencies concerned with chemical safety in the field of transport or of the environment, in particular the Economic Commission for Europe, the United Nations Environment Programme, the International Maritime Organization and the International Civil Aviation Organization, have taken appropriate steps to amend or consider amending their legal instruments in order to give effect to the Globally Harmonized System of Classification and Labelling of Chemicals by the 2008 target date or as soon as possible;

(b) That the International Labour Office and the World Health Organization are also taking appropriate steps to adapt their existing chemical safety recommendations, codes and guidelines to the Globally Harmonized System of Classification and Labelling of Chemicals, in particular in the areas of occupational health and safety, pesticide management and the prevention and treatment of poisoning;

(c) That Member States participating in the activities of the Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals, as well as the European Commission, are actively preparing revisions of

[7] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

national or regional legislation applicable to chemicals for implementation of the Globally Harmonized System of Classification and Labelling of Chemicals;

(d) That several United Nations programmes, specialized agencies and regional organizations, in particular the United Nations Institute for Training and Research, the International Labour Organization, the World Health Organization, the Economic Commission for Europe, Asia-Pacific Economic Cooperation, the Intergovernmental Forum on Chemical Safety, Governments, the European Commission and non-governmental organizations representing the chemical industry, have organized or contributed to multiple workshops, seminars and other capacity-building activities at the international, regional, subregional and national levels in order to raise administration, health sector and industry awareness and to prepare for implementation of the Globally Harmonized System of Classification and Labelling of Chemicals;

Aware that effective implementation by 2008 will require further cooperation between the Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals and the international bodies concerned, continued efforts by the Governments of the Member States, cooperation with the industry and other stakeholders, and significant support for capacity-building activities in countries with economies in transition and developing countries,

Recalling the particular significance of the United Nations Institute for Training and Research/International Labour Organization/Organization for Economic Cooperation and Development Global Partnership for Capacity-Building to implement the Globally Harmonized System of Classification and Labelling of Chemicals for building capacities at all levels,

1. *Commends* the Secretary-General for the publication of the first revised edition of the *Globally Harmonized System of Classification and Labelling of Chemicals (GHS)* in the six official languages of the United Nations, in book form[8] and on CD-ROM,[9] and its availability together with related information material on the website of the secretariat of the Economic Commission for Europe;[6]

2. *Expresses its deep appreciation* to the Committee, United Nations programmes, specialized agencies and other organizations concerned for their fruitful cooperation and their commitment to the implementation of the Globally Harmonized System of Classification and Labelling of Chemicals;

3. *Requests* the Secretary-General:

(a) To circulate the amendments[10] to the first revised edition of the *Globally Harmonized System of Classification and Labelling of Chemicals* to the Governments of Member States, the specialized agencies and other international organizations concerned;

(b) To publish the second revised edition[11] of the *Globally Harmonized System of Classification and Labelling of Chemicals* in all the official languages of the United Nations in the most cost-effective manner no later than the end of 2007, and to make it available on CD-ROM and on the website of the secretariat of the

[8] United Nations publication, Sales No. E.05.II.E.13 and corrigenda.

[9] United Nations publication, Sales No. E/F.05.VIII.3.

[10] ST/SG/AC.10/34/Add.3 and Add.3/Corr.1.

[11] ST/SG/AC.10/30/Rev.2.

Economic Commission for Europe,[6] which provides secretariat services to the Committee;

4. *Invites* Governments who would not yet have done so to take the necessary steps, through appropriate national procedures and/or legislation, to implement the Globally Harmonized System of Classification and Labelling of Chemicals, as soon as possible, with a view to having the system fully operational by 2008;

5. *Reiterates its invitation* to the regional commissions, United Nations programmes, the specialized agencies and other organizations concerned to promote the implementation of the Globally Harmonized System of Classification and Labelling of Chemicals and, where relevant, to amend their respective legal international instruments addressing transport safety, workplace safety, consumer protection or the protection of the environment so as to give effect to the Globally Harmonized System of Classification and Labelling of Chemicals through such instruments;

6. *Invites* Governments, the regional commissions, United Nations programmes, the specialized agencies and other organizations concerned to provide feedback on implementation to the Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals;[12]

7. *Encourages* Governments, regional commissions, United Nations programmes, specialized agencies and other relevant international organizations and non-governmental organizations, in particular industry, to strengthen their support of the implementation of the Globally Harmonized System of Classification and Labelling of Chemicals by providing financial contributions and/or technical assistance to capacity-building activities in developing countries and to countries in transition;

C

Programme of work of the Committee

Taking note of the programme of work of the Committee for the biennium 2007-2008 as contained in paragraphs 43 and 44 of the report of the Secretary-General,[1]

Noting the relatively poor representation of experts from developing countries and countries with economies in transition in the work of the Committee and the need to promote their wider participation in its work,

1. *Decides* to approve the programme of work of the Committee;

2. *Stresses* the importance of the participation of experts from developing countries as well as from countries with economies in transition in the work of the Committee, and calls, in that regard, for voluntary contributions to facilitate their participation, including through support for travel and daily subsistence allowance, and invites Member States and international organizations in a position to do so to contribute;

[12] Information on GHS implementation by country and through international legal instruments, recommendations, codes and guidelines is available on the ECE website at: http://www.unece.org.org/trans/danger/publi/ghs/implementation_e.html.

3. *Requests* the Secretary-General to submit a report to the Economic and Social Council in 2009 on the implementation of the present resolution, the recommendations on the transport of dangerous goods and on the Globally Harmonized System of Classification and Labelling of Chemicals.

II. Implementation of Economic and Social Council resolution 2005/53 of 27 July 2005

A. Publications

2. As requested by the Economic and Social Council in its resolution 2005/53, the Secretary-General prepared the fourteenth revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations*.[1] The edition was published for official circulation and sale in Arabic (235 copies), Chinese (120 copies), English (4,455 copies), French (730 copies), Russian (250 copies) and Spanish (375 copies).

3. Amendment 1 to the fourth revised edition of the *Recommendations on the Transport of Dangerous Goods: Manual of Tests and Criteria*[2] was published for official circulation and sale in Arabic (185 copies), Chinese (110 copies), English (2,510 copies), French (580 copies), Russian (165 copies) and Spanish (350 copies).

4. The first revised edition of the *Globally Harmonized System of Classification and Labelling of Chemicals (GHS)*,[3] was published for official circulation and sale in Arabic (225 copies), Chinese (125 copies), English (2,775 copies), French (695 copies), Russian (245 copies) and Spanish (325 copies).

5. Combined versions of the *Model Regulations* and the *Manual of Tests and Criteria*[4] and of the *Globally Harmonized System of Classification and Labelling of Chemicals* and the *Manual of Tests and Criteria*[5] were also published for sale (bilingual, English and French) on CD-ROM.

6. The *Model Regulations* and the *GHS* are available online in all languages on the website of the Economic Commission for Europe (ECE).[6]

B. Implementation of the recommendations on the Transport of Dangerous Goods: Model Regulations

7. In its resolution 2005/53, the Economic and Social Council invited all interested Governments, the regional commissions, the specialized agencies and the international organizations concerned, when developing or updating appropriate codes and regulations, to take into account the recommendations of the Committee.

8. The provisions of the fourteenth revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations*[1] have been incorporated in the following international instruments:

(a) International Maritime Organization (IMO): International Maritime Dangerous Goods (IMDG) Code (amendment 33-06, of mandatory application for the 156 contracting parties to the International Convention for the Safety of Life at

[1] United Nations publication, Sales No. E.05.VIII.1.
[2] United Nations publication, Sales No. E.05.VIII.4.
[3] United Nations publication, Sales No. E.05.II.E.13 and corrigenda.
[4] United Nations publication, Sales No. E/F.05.VIII.2.
[5] United Nations publication, Sales No. E/F.05.VIII.3.
[6] http://www.unece.org/trans/danger/danger.htm.

Sea (SOLAS 74) as from 1 January 2008, with the possibility of application on a voluntary basis as from 1 January 2007);

(b) International Civil Aviation Organization (ICAO): 2007 edition of the Technical Instructions for the Safe Transport of Dangerous Goods by Air (mandatory application for the 189 contracting parties to the Convention on International Civil Aviation as from 1 January 2007);

(c) International Air Transport Association (IATA): 2007 (forty-seventh) edition of the Dangerous Goods Regulations (applicable as from 1 January 2007);

(d) Economic Commission for Europe: European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR 2007) (as from 1 July 2007) (42 contracting parties);

(e) Economic Commission for Europe: European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways (ADN 2007), for application as from 1 January 2007;

(f) Intergovernmental Organization for International Carriage by Rail (OTIF): Regulations concerning the International Carriage of Dangerous Goods by Rail (RID 2007) (appendix C of the Convention concerning International Carriage by Rail) (applicable as from 1 January 2007) (42 contracting parties).

9. In the member States of the European Union, the provisions of ADR 2007 and RID 2007 will also apply to domestic traffic as from 1 July 2007.

10. The Common Market of the South (MERCOSUR) countries (Argentina, Brazil, Paraguay, Uruguay and Venezuela (Bolivarian Republic of)) are still working on the updating of the agreement on the inland transport of dangerous goods (*Acuerdo sobre Transporte de Mercancías Peligrosas en el MERCOSUR*, 1994), which is based on the seventh revised edition[7] of the *Recommendations on the Transport of Dangerous Goods*, RID and ADR.

11. The Andean Community (*Comunidad Andina*) (Bolivia, Colombia, Ecuador and Peru) have developed draft regulations based on the thirteenth revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations*,[8] the ADR 2005 and the RID 2005, which are still under consideration.

12. The Economic and Social Commission for Asia and the Pacific published, in 1997, *Guidelines for the Establishment of National and Regional Systems for Inland Transportation of Dangerous Goods*,[9] recommending the implementation of the recommendations on the transport of dangerous goods. The transport ministers of the Association of Southeast Asian Nations (ASEAN) signed, on 20 September 2002, Protocol No. 9 to the ASEAN Framework Agreement on the Facilitation of Goods in Transit. The Protocol provides for the simplification of procedures and requirements for the transit transport of dangerous goods in ASEAN countries, using the *Recommendations on the Transport of Dangerous Goods: Model Regulations* and the ADR.

13. In 1999, the Central African Economic and Monetary Community (CEMAC) (Cameroon, Central African Republic, Chad, the Congo, Equatorial Guinea and

[7] United Nations publication, Sales No. E.91.VIII.2.

[8] United Nations publication, Sales No. E.03.II.E.25 and Corr.1.

[9] United Nations publication, Sales No. E.98.II.F.49.

Gabon) adopted regulations concerning the transport of dangerous goods that are partly based on old provisions of the ADR but that are not fully in line with the *Recommendations on the Transport of Dangerous Goods: Model Regulations*.

14. With respect to domestic inland transport of dangerous goods in individual countries, except as described above, implementation of the recommendations on the transport of dangerous goods may vary considerably depending on the national procedures for enacting law or updating regulations. For example, the regulations applicable in the United States of America (Title 49 of the Code of Federal Regulations) are normally updated on a yearly basis, and they have been updated to reflect the fourteenth revised edition of the *Recommendations on the Transport of Dangerous Goods*,[9] with very few exceptions. The Canadian regulations are still based on the eleventh revised edition.[10] The *Australian Code for the Transport of Dangerous Goods by Road and Rail* (1998 version) is based on the ninth revised edition of the *Recommendations*,[11] but a new version, based on the thirteenth revised edition of the *Recommendations* is under consideration. The twelfth revised edition[12] of the *Recommendations* has been adopted as a national standard in Malaysia and has been implemented through national legislation in Brazil and Thailand.

15. Although international transport of dangerous goods is facilitated by the harmonization of the major international conventions or agreements concerning transport of dangerous goods with the Model Regulations, and their simultaneous updating, the fact that certain national regulations applicable to inland transport are not brought into line simultaneously, or completely, is still causing problems in international trade, in particular in the case of multimodal transport. For that reason, the Committee maintained in its draft programme of work an item on further measures to facilitate global harmonization of regulations on the transport of dangerous goods with the *Recommendations on the Transport of Dangerous Goods: Model Regulations*.

C. Implementation of the Globally Harmonized System of Classification and Labelling of Chemicals

16. The World Summit on Sustainable Development at its 2002 session in Johannesburg, in paragraph 23 (c) of its Plan of implementation,[13] encouraged countries to implement the GHS as soon as possible with a view to having the system fully operational by 2008.

17. Since the GHS addresses several sectors (transport, consumers, occupational health and safety, environment), its effective implementation requires significant efforts from Member States for amending many existing legal texts concerning chemical safety in each sector, or enacting new legislation.

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[10] United Nations publication, Sales No. E.99.VIII.1 and corrigenda.

[11] United Nations publication, Sales No. E.95.VIII.1.

[12] United Nations publication, Sales No. E.01.VIII.4 and corrigenda.

[13] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

18. As the first version of the GHS was published in 2003, with 2008 as the recommended implementation deadline, it is still too early to evaluate precisely to what extent it has been implemented worldwide.

19. In the transport sector, the *Recommendations on the Transport of Dangerous Goods: Model Regulations* have already been amended to reflect the relevant GHS provisions, and all major international instruments listed in paragraph 8 have also been amended accordingly for effective application in 2007, as well as all national regulations which are based on these instruments or which are regularly updated on the basis of the Model Regulations.

20. In the other sectors, the situation is more complex because implementation will require the amendment or revision of a considerable number of different legal texts and guidelines for application. Nevertheless, the secretariat has placed on its website[14] all information it has collected from countries on the status of implementation. The website provides the possibility for government administrations to update this information or to submit new information for the various sectors concerned. **All countries are therefore invited to provide such information, as indicated in paragraph 6 of part B of the draft resolution contained in paragraph 1 above.**

21. The review of existing legislation has been initiated in all countries which are members of the GHS Subcommittee, and for the European Union, by the European Commission. Direct technical advice and expertise have been provided to several other Member States by some members and by the secretariat.

22. Several countries and non-governmental organizations that are not members of the GHS Subcommittee organized workshops and seminars on the GHS, addressed to different sectors (transport, industry, customs and administration), for example:

(a) National GHS workshop organized by the Ministry of Environment of Ecuador (Quito, Cuenca and Guayaquil, March 2006);

(b) Fifth Congress on transport of dangerous substances, organized by the Colombian Safety Council, which included an introduction to the GHS and its relationship with transport regulations (Bogotá, September 2006).

23. With the financial support of several Member States, the European Commission and the private sector, several additional capacity-building and training activities were carried out, with the participation of experts of the GHS Subcommittee, by various organizations or programmes, in particular:

(a) United Nations Institute for Training and Research/International Labour Organization (UNITAR/ILO) global GHS capacity-building programme and World Summit on Sustainable Development (WSSD) Global Partnership for Capacity-Building to Implement the GHS:

(i) National GHS workshops and/or planning meetings in Cambodia, the Gambia, Indonesia, the Lao People's Democratic Republic, Malaysia, Nigeria, the Philippines, Senegal and Thailand;

(ii) Regional workshops on chemical hazard communication and GHS implementation: for ASEAN countries (the Philippines, October 2005), for

[14] http://www.unece.org/trans/danger/publi/ghs/implementation_e.html.

Central and Eastern Europe and Central Asia (Slovenia, October 2006) and for countries of the Arab region (Egypt, October 2006);

(iii) Global thematic workshop on capacity-building to implement the GHS (South Africa, November 2005);

(iv) GHS side events at: First meeting of the Conference of the Parties (COP-1) to the Stockholm Convention, in Uruguay (May 2005); the International Conference on Chemicals Management (ICCM) in Dubai (February 2006); fifth session of the Intergovernmental Forum on Chemical Safety (Forum V), in Hungary (September 2006); and third meeting of the Conference of the Parties (COP-3) to the Rotterdam Convention in Geneva (October 2006);

(v) Publication of a roster of experts on the GHS on the website of UNITAR;

(vi) Development of resource materials: guidance document on capacity-building for GHS implementation; comprehensibility testing modules; World Summit on Sustainable Development (WSSD) Global GHS Partnership annual reports;

(vii) Eighth, ninth, tenth and eleventh meetings of the capacity-building programme advisory group (PAG), which were held back-to-back with those of the GHS Subcommittee;

(b) Asia-Pacific Economic Cooperation (APEC):

Seminar on GHS implementation and technical assistance (Thailand, September 2006);

(c) World Health Organization/International Labour Organization/United Nations Environment Programme (WHO/ILO/UNEP) International Programme on Chemical Safety (IPCS):

(i) International workshop on the GHS for first aid and poison centres;

(ii) Workshops to promote GHS through the implementation of the IPCS/ILO International Chemical Control Toolkit (in cooperation with UNITAR/ILO);

(iii) Development of an implementation plan to assist countries in the implementation of the GHS through the use of the Concise International Chemical Assessment Documents (CICADS), the WHO Recommended Classification of Pesticides by Hazard,[15] and the International Chemical Safety Cards (jointly with ILO);

(iv) Awareness-raising activities among the health sector and peak professional bodies, such as regional associations of poison control centres and clinical toxicologists, and development of training materials.

24. The GHS Subcommittee has also continued its cooperation with treaty bodies that administer certain international conventions dealing with specific aspects of chemical safety in order to facilitate the implementation of the GHS through such conventions (Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention); Montreal Protocol on

[15] See the *WHO Recommended Classification of Pesticides by Hazard and Guidelines to Classification, 2004* (Geneva, World Health Organization, 2005).

Substances that Deplete the Ozone Layer; Stockholm Convention on Persistent Organic Pollutants; Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade; and Convention on the Transboundary Effects of Industrial Accidents (see also para. 41 above).

III. Work of the Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals during the biennium 2005-2006

A. Meetings held

25. The following meetings were held during the biennium 2005-2006:

(a) Subcommittee of Experts on the Transport of Dangerous Goods: twenty-seventh session, 4 to 8 July 2005 (ST/SG/AC.10/C.3/54); twenty-eight session, 28 November to 6 December 2005 (ST/SG/AC.10/C.3/56 and Add.1); twenty-ninth session, 3 to 11 July 2006 (ST/SG/AC.10/C.3/58 and Add.1 and 2); and thirtieth session, 4 to 12 December 2006 (ST/SG/AC.10/C.3/60);

(b) Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals: ninth session, 11 and 12 July 2005 (ST/SG/AC.10/C.4/18); tenth session, 7 and 8 December 2005 (ST/SG/AC.10/C.4/20); eleventh session, 12 to 14 July 2006 (ST/SG/AC.10/C.4/22); and twelfth session, 12 to 14 December 2006 (ST/SG/AC.10/C.4/24);

(c) Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labelling of Chemicals: third session, 15 December 2006 (ST/SG/AC.10/34 and Add.1-3 and corrigenda).

26. The following 29 countries participated in the work of the Committee as full members of the Subcommittee of Experts on the Transport of Dangerous Goods (TDG Subcommittee), of the Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals (GHS Subcommittee), or of both subcommittees: Argentina; Australia; Austria; Belgium; Brazil; Canada; China; the Czech Republic;[1] Denmark;[2] Finland; France; Germany; Ireland;[2] Italy; Japan; Mexico;[1] the Netherlands; New Zealand;[2] Norway; Poland;[1] Portugal;[1] Qatar;[2] the Russian Federation;[1] Senegal;[2] South Africa; Spain; Sweden; the United Kingdom of Great Britain and Northern Ireland; and the United States of America.

27. India and Morocco, full members of the TDG Subcommittee, Greece, Serbia, Ukraine and Zambia, full members of the GHS Subcommittee, and Iran (Islamic Republic of), full member of both Subcommittees, did not participate.

28. The Governments of Bulgaria,[1] Cambodia,[2] Cyprus,[2] Fiji,[1] the Gambia,[2] Indonesia,[2] Kenya, the Lao People's Democratic Republic,[2] Mexico,[2] New Zealand, Nigeria,[2] the Philippines,[2] the Republic of Korea,[2] Romania, the Russian Federation,[2] Slovenia,[2] Switzerland and Thailand,[2] were represented by observers. The Commission of the European Communities, 12 specialized agencies and intergovernmental organizations and 47 non-governmental organizations also participated.

29. Liaison was maintained with the international bodies or organizations responsible for individual modes of transport, in particular the Economic Commission for Europe and the Economic and Social Commission for Asia and the

[1] TDG Subcommittee only.

[2] GHS Subcommittee only.

Pacific (for inland transport in those regions), the International Civil Aviation Organization, the International Maritime Organization and the Intergovernmental Organization for International Carriage by Rail.

30. The Committee paid special attention to the coordination of its own activities with those of other international organizations whose activities impinge on the field of transport of dangerous goods or of classification of chemicals, such as the International Atomic Energy Agency (IAEA), the Food and Agriculture Organization of the United Nations (FAO), ILO, WHO, UNEP, the Universal Postal Union (UPU), UNITAR and the Organization for Economic Cooperation and Development (OECD), to ensure that their work would complement, rather than duplicate or clash with, its own activities and recommendations.

31. Secretariat services were provided by the secretariat of the Economic Commission for Europe.

B. Work of the Subcommittee of Experts on the Transport of Dangerous Goods

32. During the biennium 2005-2006, the Subcommittee discussed various questions related to its terms of reference in accordance with the programme of work described in document E/2005/53, paragraph 41 (a).

33. On the basis of that work, the Committee adopted amendments[3] to the fourteenth revised edition of the *Recommendations on the Transport of Dangerous Goods: Model Regulations* and to the fourth revised edition of the *Recommendations on the Transport of Dangerous Goods: Manual of Tests and Criteria* consisting mainly of new or revised provisions concerning:

(a) The listing and classification of some existing and new dangerous substances and articles and related packing methods and the revision of some packing requirements;

(b) The harmonization and standardization of provisions concerning the transport of gases;

(c) The transport of infectious substances (including new provisions for the manufacturing and testing of packagings);

(d) The harmonization of the Model Regulations with the IAEA regulations for the safe transport of radioactive material;

(e) The transport of dangerous goods in excepted quantities;

(f) New performance testing requirements for Intermediate Bulk Packagings (IBCs) (Vibration test);

(g) Test requirements for lithium batteries and fuel cells;

(h) The harmonization of the Model Regulations with the GHS.

34. The Subcommittee developed Guiding Principles intended to explain the rationale behind the provisions contained in the *Model Regulations* and to guide regulators when assigning transport requirements to specific dangerous goods. It

[3] ST/SG/AC.10/34/Add.1 and Add.1/Corr.1, and Add.2.

considered that this work, as well as the study of possible measures to facilitate global harmonization of transport of dangerous goods regulations with the Model Regulations, should be pursued in the biennium 2007-2008.

35. **The action to be taken by the Economic and Social Council, recommended by the Committee with respect to the work of the Subcommittee of Experts on the Transport of Dangerous Goods, is reflected in part A, paragraphs 1 to 6, of the draft resolution contained in paragraph 1 above.**

C. Work of the Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals

36. During the biennium 2005-2006, the Subcommittee discussed various questions related to its terms of reference in accordance with its programme of work described in document E/2005/53, paragraph 41 (b).

37. On the basis of that work, the Committee adopted amendments[4] to the first revised edition of the *Globally Harmonized System of Classification and Labelling of Chemicals* intended to clarify or to complement it, concerning, in particular, the following:

(a) Guidance on the interpretation of the building block approach;

(b) Classification criteria and hazard communication tools for some types of explosives;

(c) Classification of toxic gas mixtures;

(d) Criteria for the evaluation of sensitization/induction/elicitation;

(e) Guidance on how to consider important factors in determining the carcinogenic potential of chemicals;

(f) Codification and use of hazard and precautionary statements;

(g) Guidance for the preparation of safety data sheets.

38. The Subcommittee considered that the work in the following areas should be pursued in the biennium 2007-2008: development of classification criteria for substances, which in contact with water, release toxic or corrosive gases; validation of the transformation/dissolution protocol for metals; strong versus weak sensitizers; chronic aquatic toxicity hazards; terrestrial environmental hazards; ozone-depleting substances; and guidance for the labelling of very small packagings.

39. The Subcommittee also considered that the work on carcinogenicity potency estimation and on the amendment of the classification criteria for toxic to reproduction substances to consider cut-off levels related to relative potency of chemicals should be discontinued.

[4] ST/SG/AC.10/34/Add.3 and Add.3/Corr.1.

40. The Subcommittee kept under review progress made in the implementation of the GHS on the basis of reports submitted by its members and participating intergovernmental and non-governmental organizations.[5]

41. The Subcommittee continued cooperation with treaty bodies established under international conventions concerning chemical safety to promote the implementation of the GHS through such conventions (see also para. 24 above).

42. **The action to be taken by the Economic and Social Council, recommended by the Committee with respect to the work of the Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals, is reflected in part B, paragraphs 1 to 7 of the draft resolution contained in paragraph 1 of the present report.**

[5] Information on GHS implementation by country and through international legal instruments, recommendations, codes and guidelines is available on the ECE website at: http://www.unece.org/trans/danger/publi/ghs/implementation_e.html.

IV. Programme of work and schedule of meetings for the biennium 2007-2008

43. The Committee agreed that the programme of work for the biennium 2007-2008 should be as follows:

(a) Subcommittee of Experts on the Transport of Dangerous Goods:

(i) Routine listing, classification and related packaging/tank issues;

(ii) Performance of packagings, including IBCs;

(iii) Measures to enhance multimodal harmonization of provisions relating to the transport of dangerous goods in limited quantities;

(iv) Provisions for the safe transport of fumigated freight containers and dry ice;

(v) Provisions for the transport of dangerous goods in open cryogenic receptacles;

(vi) Use of electronic data interchange (EDI) for documentation requirements;

(vii) Proposals for facilitation of the harmonization of IAEA regulations for the safe transport of radioactive material with the Model Regulations;

(viii) Further measures to facilitate global harmonization of transport of dangerous goods regulations with the Model Regulations;

(ix) Cooperation with the GHS Subcommittee for any work related to classification criteria for physical hazards, e.g. chemically unstable substances, substances having explosive properties and implementation of the GHS in transport;

(b) Subcommittee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals:

(i) Continue activities to determine when guidance may be needed on the application of the GHS (e.g. to pursue a harmonized approach to the classification of petroleum substances);

(ii) Updating of the GHS:

a. Work on physical hazards:

i. Develop a proposal for the classification and labelling of chemically unstable gases including a test method intended to evaluate chemical instability of gases or gas mixtures (in cooperation with the TDG Subcommittee);

ii. Consider possible solutions to address the classification and labelling of substances having explosive properties and desensitized explosives (in cooperation with the TDG Subcommittee);

b. Work on health hazards:

i. Pursue work on classification criteria for substances which, in contact with water, release toxic or corrosive gases;

ii. Continue to examine the available information concerning strong versus weak sensitizers and, if appropriate, propose revisions to the classification criteria for respiratory and/or dermal sensitization (in cooperation with OECD);

c. Work on environmental hazards:

i. Complete the work on the improvement of the classification criteria to accommodate chronic toxicity to aquatic organisms (in cooperation with OECD);

ii. Pursue the work on the development of criteria for the classification and labelling of substances hazardous for the terrestrial environment (in cooperation with OECD);

iii. Complete the work on the development of classification and labelling criteria for ozone-depleting substances and mixtures in cooperation with the Conference of Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (in cooperation with OECD);

iv. Complete work on validation of the transformation/dissolution protocol for metals (in cooperation with OECD);

d. Work on hazard communication issues:

i. Pursue work to further improve annexes 1, 2 and 3 of the GHS, including consideration of the development of combined hazard statements and combined precautionary statements, and proposals to eliminate current redundancies in some precautionary statements;

ii. Pursue work on guidance for the labelling of very small packagings;

e. Implementation of the GHS:

i. Continue the activities to facilitate the coordinated implementation of the GHS;

ii. Continue the cooperation with the Open-ended Working Group of the Basel Convention for matters of common concern;

iii. Strengthen and increase cooperation with United Nations programmes, specialized agencies, regional, governmental and intergovernmental organizations as well as non-governmental organizations responsible for the administration of international agreements and conventions dealing with the management of chemicals, so as to give effect to the GHS through such instruments;

iv. Review reports on training and capacity-building activities;

v. Provide assistance to United Nations programmes and specialized agencies involved in training and capacity-building activities, such as UNITAR, ILO, FAO and WHO/IPCS, through the development of guidance materials, advice with respect to their training programmes and identification of available expertise and resources;

vi. Continue to explore a working relationship with WHO/IPCS to assist implementation of the GHS in relevant activities and instruments among global health partners.

44. Bearing in mind that, in accordance with Economic and Social Council resolution 1999/65, the maximum number of meeting days allocated to the Committee and its subsidiary bodies is 38 (76 meetings), the Committee agreed that the schedule of meetings for the period 2007-2008 should be as follows:

2007

2-6 July 2007: TDG Subcommittee, thirty-first session: 10 meetings

9-11 July 2007: GHS Subcommittee, thirteenth session: 5 meetings

3-12 (a.m.) December 2007: TDG Subcommittee, thirty-second session: 15 meetings

12 (p.m.)-14 December 2007: GHS Subcommittee, fourteenth session: 5 meetings

(Total: TDG Subcommittee: 25 meetings; GHS Subcommittee: 10 meetings)

2008

30 June-9 (a.m.) July 2008: TDG Subcommittee, thirty-third session: 15 meetings

9 (p.m.)-11 July 2008: GHS Subcommittee, fifteenth session: 5 meetings

1-9 (a.m.) December 2008: TDG Subcommittee, thirty-fourth session: 13 meetings

9 (p.m.)-11 December 2008: GHS Subcommittee, sixteenth session: 5 meetings

12 December 2008: Committee, fourth session: 2 meetings

(Total: TDG Subcommittee: 28 meetings; GHS Subcommittee: 10 meetings; Committee: 2 meetings)

45. **Action to be taken by the Economic and Social Council, recommended by the Committee with respect to its programme of work, is reflected in part C, paragraphs 1 to 3, of the draft resolution contained in paragraph 1 of the present report.**